A UNITED STATES DEPARTMENT OF COMMERCE PUBLICATION

Incorporating *International Commerce*

JULY 24, 1972

Commerce Today

Coming Developments in Business and Technology

SPECIAL ISSUE

World Trade Outlook

Newsmemo

Not one, but two, major Japanese publishers are reprinting a Commerce Department study on the business patterns of Japan. The translations of Eugene Kaplan's "Japan: The Government-Business Relationship--A Guide for the American Businessman" are being sold at 450 and 500 yen by the influential business publication Nihon Keizei and the Mainichi chain of daily newspapers. Meanwhile, back in the U.S., the English-language original is now in its second printing. It is available at 65 cents per copy (that's equivalent to 200 yen) from the Superintendent of Documents, Government Printing Office, Washington, D.C., 20402.

New affluence and new tastes among Japanese consumers, easy entry for most consumer imports, and many exploitable gaps in the generally tough price competition are all part of today's marketing picture in Japan. And that market is just not understood by large numbers of American exporters. So concludes the blue ribbon group of Japanese executives that came to six U.S. cities this spring to encourage more exports to Japan. The group agreed that changes are needed in Japan's distribution system to unravel its complexities for outsiders. But the visitors are suggesting that strong export drives by U.S. Federal and State agencies can win customers for U.S. products among Japanese consumers.

Here's a revealing assessment on market conditions in Japan--from the inside--by this same group: "We believe that, on the one hand, the Japanese market is not so closed against foreign merchandise as the foreigners believe, but, on the other hand, it is not so open and homogeneous as to give American goods the same market penetration as in the United States without studying market conditions and modification of specifications of products based on such studies. We are sometimes perplexed when we are blamed for a closed market by foreigners who have no intention of making such efforts."

Between now and 1976 the World Bank Group expects to triple the number of its tourism projects in developing nations, with a fourfold increase in financing. Net foreign exchange receipts from tourism are high in the Bank's client countries--over 85 percent of gross receipts in Mexico, Spain and Yugoslavia, and above 45 percent almost everywhere. In the past five years the World Bank has directly or through intermediaries supplied $112 million in tourism project financing. A World Bank sector study on the issues and opportunities in tourism is available from the Bank's Publications Department, Rm A110, 1818 H. St., N.W., Washington, D.C., 20433.

Keep America competitive through improved productivity. That message forms the body of the current content of four trade publications of the Cahners group: Modern Materials Handling, Plant Operating Management, Plastics World and Purchasing. Publisher Norman Cahners has brought the same material together in a supplement directed to top industrial and Government leaders. He quotes Secretary of Commerce Peterson: "Unless we increase productivity, we will not only lose our position as a world leader, but we won't even be in a position to answer the basic hopes and dreams of our citizens for a decent life."

Commerce Today

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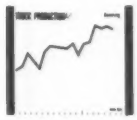

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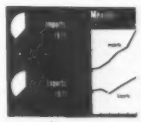

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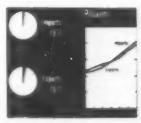

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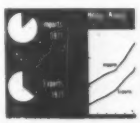

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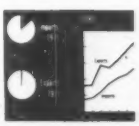

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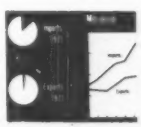

COVER: *An appropriate symbol for this annual World Trade Outlook issue is the dollar, unit of U. S. money since adoption in 1785 by the Congress that met under the Articles of Confederation. Eisenhower dollars were authorized by President Nixon in a 1970 law. Except for a special group for sale to coin collectors, such dollars contain no silver.*

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Published biweekly by the U.S. Department of Commerce, Washington, D.C.

Annual subscription rate $15 ($3.75 additional for foreign mailing, $14.30 additional for domestic air mailing). Single copy 60 cents. Make checks or money orders payable to Superintendent of Documents and mail to Superintendent, U.S. Government Printing Office, Washington, D.C. 20402, or to any U.S. Department of Commerce Field Office.

All subscription inquiries and address changes should be sent to the Superintendent of Documents, at the above address. This is the central distribution agency for U.S. Government publications.
Microfiche copy available at 95 cents per issue from National Technical Information Service, Springfield, Virginia, 22151.
Other inquiries should be sent to the U.S. Department of Commerce, 14th Street and Constitution Avenue, Washington, D.C., 20230.

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Motor Vehicle Sales Shift To High Gear; Industry Spurred By New Economic Policy

Economic Highlights is prepared by Dr. Harold C. Passer, Assistant Secretary for Economic Affairs, and is based on the latest economic indicators (see charts on adjoining page).

The motor vehicle industry is riding along on the greatest sustained sales boom in its history—along a road that was paved by the Administration's New Economic Policy.

One of the principal objectives of the new policy is to stimulate motor vehicle sales and production. Auto sales set a monthly record in October, the second full month after President Nixon announced his new economic strategy. As the top left chart shows, that sizzling sales pace was not maintained, but the total for 1971 was a record 10.3 million units, up 22 percent from 1970, and the strong uptrend in recent months is expected to produce another record of 11 million cars in 1972 (9½ million U.S. cars plus 1½ million imports).

Furthermore, all of the increase in sales has been translated into increased U.S. production because sales of imported makes have not increased during the current boom. U.S. producers have thus improved their market position. Dock strikes resulted in a dip in auto imports in the third quarter of last year and the policy shifts have since effected a more lasting change in the competitive position of U.S. auto producers. For example, because of the combined effect of the removal of the excise tax and the exchange rate changes, the prices of American-made subcompacts are up only about $20 over a year ago while the popular small imports are carrying price tags that are as much as $250 higher than last year. The increase in U.S. auto production, and the consequent increases in employment and incomes throughout the economy, have played a vital role in the faster pace of the economic expansion.

Truck sales made an equally strong response to the new policy, once the investment tax credit was enacted in December 1971. The tax credit was a major stimulant to truck sales while removal of the excise tax provided an important boost to sales of both autos and light trucks. The tax credit also had some effect on autos since many businesses use passenger vehicles. Truck sales in the first half of 1972 were nearly 30 percent over a year ago and will probably set a record of about 2½ million for the year. They accounted for a significant portion of the increase in business investment in the first half of 1972. An interesting development so far in 1972 has been an acceleration of the trend toward the use of light trucks as a second family vehicle.

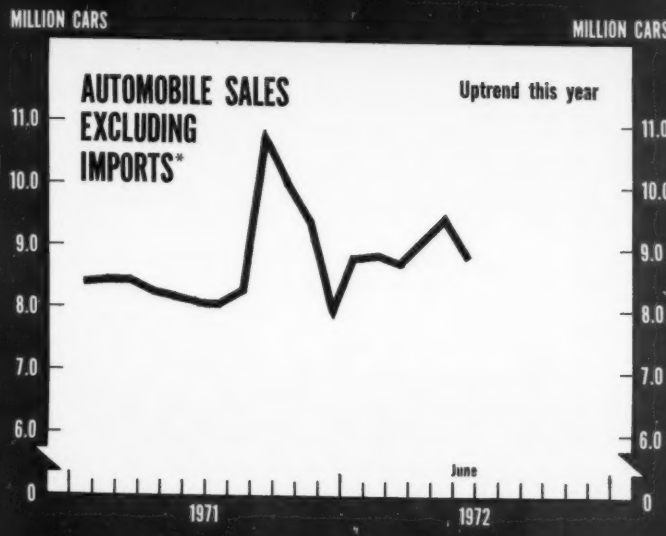
The motor vehicle industry was affected by all of the major policy changes that President Nixon announced last August: 1. The removal of the excise tax on cars and light trucks and the rollback of motor vehicle prices during the freeze lowered prices and attracted more buyers; 2. The revisions in exchange rates tended to increase the prices of foreign makes relative to U.S. vehicles; 3. The investment tax credit provided an extra incentive for business to purchase both trucks and cars. Finally, the policies produced some significant indirect effects. For example, consumer confidence was strengthened by the freeze, which put a checkrein on prices, and by the acceleration of the economic expansion, which produced strong rises in employment and real incomes.

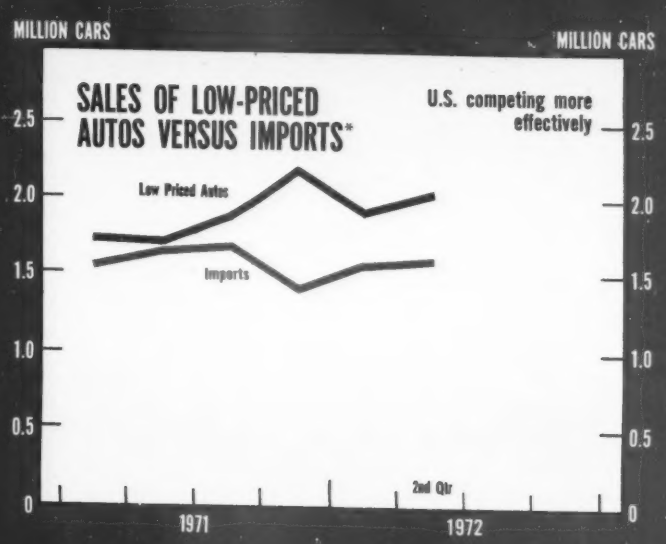
Other economic data

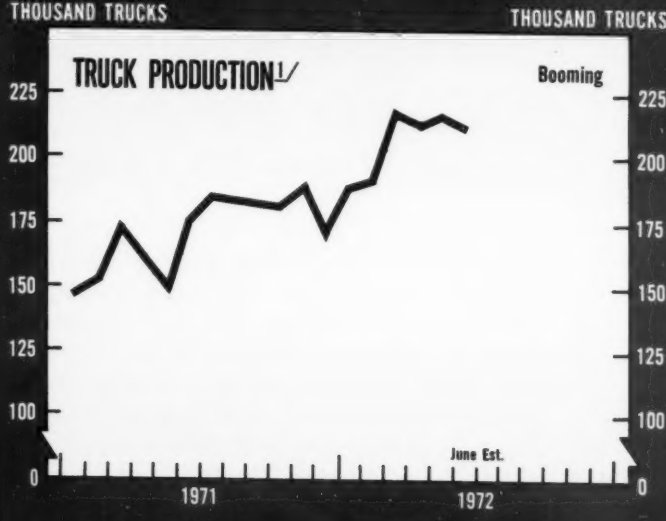
Autos and other durables have led the strong uptrend in retail sales in the first six months of 1972.

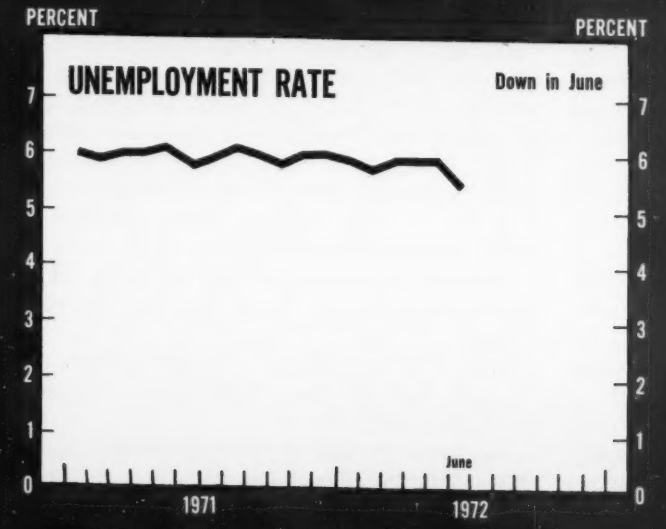
Unemployment moved downward sharply in June. Although one month's data should not be the basis for a firm conclusion, economic activity and employment have been rising strongly. Thus, unemployment should be in a downtrend from now on although every month may not show a decline.

Latest Indicators









*Annual rate
1/Factory sales
All data seasonally adjusted

Commerce Today
Vol. II, No. 21
July 24, 1972

Gains Ahead This Year In U.S. Trade Position

Dollar Shift To Spur Exports, Slow Imports; Pickup Is Expected In Demand From Overseas

The U.S. trade position will improve in the remainder of 1972 as the effects of the December 1971 currency realignment stimulate foreign demand for American goods and at the same time moderate demand here for goods from abroad. U.S. exports should also be boosted by the expected strengthening of economic activity in other countries, though a similar influence will cause imports into this country to rise as well.

In the first five months of this year, the U.S. merchandise trade deficit, seasonally adjusted, was $2.8 billion. For 1972 as a whole, the deficit will substantially exceed last year's $2 billion level. With two-way trade totalling more than $100 billion, small shifts in the growth rates of exports or imports involve large differences in the net dollar balance. A particular complication in estimating trade changes this year derives from the uncertainty of the magnitude and timing of price changes stemming from the currency realignment.

The devaluation effect so far in 1972 has been masked by the marked cyclical imbalance between the U.S. and foreign industrial economies. With business activity here expanding strongly while most major trading partners have experienced sluggish growth, economic factors tending to deepen the U.S. trade deficit have outweighed the beneficial effects of the dollar depreciation. The favorable impact of the currency realignment would be greater if the cyclical positions of the U.S. and foreign economies were more parallel.

Imports climbed to $53.6 billion at a yearly rate in January-May. This total was 20 percent higher than for the same period a year ago, and represented nearly as large a rise when compared with all of 1971. The vigorous expansion in U.S. imports primarily reflected the upturn of the economy. An additional, though less significant, factor was the initial perverse effect of the dollar depreciation which raised the price of individual imports before demand patterns could change.

Some imports such as cars and color TVs have already been affected by the currency realignment. As 1972 progresses, the effect should widen, although further expansion of the U.S. economy will cause a rise in demand for many imports.

Rising consumer expenditures and the firmly established position of various foreign products in the U.S. market will lead to greater arrivals of some consumer goods

from abroad. Moreover, imports of industrial supplies are expected to be boosted by the recovery of industrial production here while the pickup in business investment is to stimulate the inflow of capital goods. It now appears likely that the import rise for 1972 as a whole will be below the 20 percent climb recorded so far this year, but greater than the 14 percent of 1971.

U.S. exports in January-May were running at a seasonally adjusted annual rate of $47 billion, 6 percent greater than in the same period last year. Compared with the 1971 total, deliveries to foreign markets increased 8 percent in the first five months. Much of the export growth consisted of greater shipments to Canada, with demand generally sluggish from most other areas.

The 1972 advance in U.S. exports is projected at 10 percent mainly on the basis of a pickup in foreign economic activity in the remaining months of the year and on the positive effects of the currency realignment, assuming that U.S. exporters take advantage of their improved competitive position. The considerable excess capacity abroad, and the absence of a strong investment trend in major foreign markets, however, will preclude any exceptional export increase.

Biggest gains in Canada

The rapid expansion of the Canadian economy has stimulated a sharp advance in U.S. exports to that country. Further large gains are likely in the months ahead as a result of anticipated increases in Canadian industrial output and investment spending.

Although economic growth in Western Europe continues well below potential, U.S. exports to the area should increase substantially this year after a small decline in 1971. Sales to France, where business activity is vigorous, may show a particularly large rise. Moreover, import demand for U.S. goods in West Germany and the Netherlands should improve in the second half from the sluggish pace recorded so far this year. The outlook for exports to the United Kingdom, however, is clouded by uncertainties about the value of the recently-floated pound sterling and the future course of the British economy, particularly in the investment sector.

An anticipated upswing in the Japanese economy in the second half is likely to put U.S. exports to Japan back on an upward path following last year's sharp 13 percent decline. Real growth in that country is forecast at 8-9 percent in 1972, still low by Japanese standards, but sufficient to stimulate increased demand for U.S. products. Exports to Oceania, on the other hand, will probably fall because of fewer aircraft deliveries to Australia and the delay in that country's economic upturn until late 1972.

U.S.-SOVIET GRAIN DEAL CONCLUDED—*Called the largest purchase agreement of its kind ever made between two nations was the July 8 action in which the Soviet Union agreed to buy $750 million of U.S.-grown feed grains over the next three years. Soviet Deputy First Minister M. R. Kuzmin watches at left as Commerce Secretary Peter G. Peterson reaches for pen. Agriculture Secretary Earl L. Butz is at right, with interpreter.* *See story, Page 36.*

The outlook for exports to the developing countries is for another modest rise this year. Based on continued heavy import demand from the oil-producing countries, shipments to the Near East should continue their expansion. Prospects are good for an increase in shipments to the American Republics as a result of strong economic advances being recorded in the three major U.S. markets in the region—Mexico, Brazil, and Venezuela. Exports to East and South Asia, in contrast, will be retarded by a large drop in aid shipments to India, although greater deliveries are expected to Taiwan, Indonesia, and Malaysia.

Exports to Eastern Europe and the USSR are to rise significantly this year in response to the closer economic ties developing between the United States and the Communist countries. The agreements with the Soviet Union for shipments of large quantities of grains concluded last fall and earlier this month will be a major factor.

Machinery prospects favorable

The rise in U.S. exports projected for 1972 will consist mostly of nonagricultural products which had gained only marginally last

year. The major factor behind this more favorable outlook is a significant expansion in machinery sales which recorded practically no advance in 1971. Machinery shipments should benefit from increased deliveries of parts and components to U.S. subsidiaries abroad, a sharp upswing in Canadian demand for many types of equipment, and the expected strengthening of sales in other markets resulting from the depreciation of the U.S. dollar.

Exports of computers and parts are to grow at a faster pace, in contrast to last year's marginal increase. Most of the 6 percent rise through May consisted of parts shipments to U.S. affiliates in Canada.

Agricultural machinery and tractors will probably record their first substantial export increase in a number of years. These shipments have climbed sharply in 1972, to a large extent reflecting the outflow of parts for assembly at American-owned facilities in Canada and overseas.

After declining in 1971, exports of semiconductor devices are projected to rise, but the rapid growth recorded in earlier years will not be equalled. In the first five months, these exports exceeded the comparable total last year by 8 percent, mainly in parts shipments.

Exports of automotive products climbed 10 percent in January-May, due largely to greater shipments of parts and accessories to U.S. subsidiary plants in Canada. This growth should be maintained for the rest of the year in view of likely further increases in auto production there and continued strength in U.S. consumer demand for cars.

In a reversal of their major contribution to last year's export increase, sales of civilian aircraft are to decline in 1972. Deliveries of the jumbo jet transport planes will be considerably fewer and those of the smaller passenger jets are also expected to fall. Shipments of aircraft parts, however, should continue to rise for the seventh consecutive year.

Chemical exports climbed 6 percent in January-May and prospects are for continued gains in the months ahead. Organic compounds will probably contribute to much of this year's advance, recovering from a slump in 1971.

The sluggish pace of foreign industrial activity has dampened world demand for iron and steel and, as a result, U.S. exports of these products showed only a 4 percent increase in January-May. Little pickup is anticipated in the remaining months. The slump in the steel market abroad has also depressed U.S. sales in coal. Shipments of this fuel recorded no change in value in January-May, and this flat trend will probably persist throughout 1972.

Farm shipments up

Agricultural exports should show another advance over the record 1971 total, possibly repeating the 6 percent expansion recorded last year. Shipments climbed 6 percent in the first five months, but some of this growth consisted of delayed deliveries following the dockstrikes.

The outflow of corn rose sharply in January-May and a sizable increase in movements of this commodity seems likely for the year, based on further growth of world feed requirements. The magnitude of the rise will depend to a large extent on the amounts sold to the Soviet Union. So far in 1972, that country has accounted for $75 million of the $122 million increase in corn shipments. With foreign demand for soybeans strong, U.S. exports advanced 14 percent through May. Further gains are anticipated but the tightness of exportable supplies is a limiting factor.

Consumer goods to lead import rise

Consumer goods will again be responsible for the largest portion of the import expansion in 1972. In the first five months, these purchases exceeded the comparable 1971 period by 28 percent. Prospects for sizable gains in U.S. consumer spending in the second half suggest further increases in those imports.

In contrast to last year, purchases of nonautomotive products have contributed the major part of the increase in consumer goods imports so far in 1972. Entries of consumer electronics were particularly expansive in January-May and are expected to continue upward, though at a slower pace, for the remainder of the year.

The sharp price increase for color television sets from Japan—stemming partly

Machinery Scores Largest Export Gain

Commodity	Jan.-May 1972	Change from Jan.-May 1971
	Millions of dollars	
Machinery	5,607	+550
Automotive parts	934	+145
Corn	405	+122
Chemicals	1,669	+ 95
Soybeans	584	+ 71
Military aircraft	137	−153
Civilian aircraft	909	−156

Consumer Goods Lead Import Advance

End-use class	Jan.-May 1972	Change from Jan.-May 1971
	Millions of dollars	
Consumer goods, inc. automobiles and parts	8,001	+1,726
Industrial supplies	8,028	+1,279
Capital equipment, inc. trucks	2,673	+ 674
Foods and beverages	2,887	+ 315

from the revaluation of the yen—has already dampened U.S. demand for these products and a decline is expected for the year in terms of quantity. Because of higher prices, however, the import value may not be much different from that recorded in 1971.

Receipts of passenger cars and parts from Canada increased sharply in January-May but at more moderate rates than in 1971 when heavy demand and strike makeup shipments in the early months boosted arrivals. A further slackening in this trade is foreseen for the rest of the year as a result of the smaller increase in automotive expenditures projected for 1972 and the absence of strike-related deliveries.

From overseas, auto imports expanded substantially in the first five months, with a good part of the increase representing higher prices and a switch to more expensive models. Prospects are that strengthened competitive positions of domestically-produced compact and subcompact models, combined with relatively high inventory levels of foreign cars, will lead to a considerably more moderate rise than last year.

Industrial supplies to expand

In 1971, imports of industrial supplies rose 12 percent even though production showed no gain for the year as a whole. Much of the increase in these purchases last year was in three commodities—petroleum, lumber, and steel. This year, the expected advance in output and the supply limitations in a number of materials indicate that imports for industry will show a significant stepup.

Although the rise in imports of industrial supplies was widespread in the first five months, petroleum and lumber entries again accounted for a large part of the 19 percent advance. Arrivals of crude petroleum climbed 64 percent over levels recorded in the 1971 comparable period. Greater U.S. requirements, reduced domestic production, and liberalized quotas will continue to boost this inflow for the rest of the year.

Softwood lumber purchases, predominantly from Canada, also showed a sharp increase in January-May and are likely to continue at high levels since construction activity remains strong.

After peaking in the first half of 1971 when hedge buying in anticipation of a possible steel strike was at its height, steel imports fell in the second half as deliveries were interrupted by dockstrikes and excessive inventories were reduced. Agreements with Japan, the United Kingdom, and the EEC countries to restrict steel shipments to this country plus the absence of stock building will keep 1972 imports well below last year's level. The expected improvement in domestic demand could, however, shift some U.S. purchases to other suppliers not covered by the agreement.

Capital goods imports rising

The strong acceleration in U.S. plant and equipment expenditures occurring in 1972 is having a significant stimulating effect on entries of capital equipment and will continue to do so for the remainder of the year. In addition, machinery purchases are being boosted by sharply higher arrivals of parts and components from U.S. affiliated facilities in Canada.

Textile machinery entries have advanced by more than a half so far this year but, with the recent opening of foreign-owned manufacturing plants in this country, further increases should be limited. Arrivals of office machines will rise substantially because of a heavier inflow of computer components from new plants in Canada.

The flow of British aircraft engines, to be used in a new wide-bodied commercial jet, and military planes will boost the U.S. import total.

Imports of foods and beverages advanced strongly in January-May and the outlook is for further expansion in the months ahead. The increase for the year, however, should be somewhat less than the 12 percent registered so far in 1972.

Fish imports contributed most to the rise in the first five months. Because of an extremely tight world supply situation, prices will probably continue at high levels so that even if imports slow in terms of quantity, a value increase is assured. Purchases of meat will rise as a result of domestic shortages of beef which necessitated the removal of quota restrictions in June and special appeals by the U.S. Government to supplying nations to boost shipments to this market.

—Bureau of International Commerce

Canada

Expansive Economic Policies And Growing Consumer Demand Seen As Spur To Imports; Sizable GNP Increase Expected

U.S. exports to Canada continue strong and 1972 shipments may exceed the 1971 level of C$10.9 billion by 15 percent, according to David Fellman of Commerce's Canada Desk.

This reflects the rapid growth of the Canadian economy spurred by expansive economic policies stimulating an increase in manufacturing operations, a rise in plant and equipment investment, and the rebuilding of inventories. Businessmen are heartened by improved profit margins, by the realignment of world currencies in December, and by tax measures designed to improve Canada's exports. Growing consumer demands, backed by ample accumulations of savings and credit, are also influencing the upward economic trend. Because of these factors, the GNP may rise about 10 percent (6 percent real) to top the C$100 billion mark for the first time.

Inflationary pressures continue to be worrisome; at 138.3 in May, the consumer price index was 5.6 points above May 1971. Growing demand and slackening of productivity growth could prime further increases.

May boost imports

Budget provisions for accelerated depreciation write-offs for machinery and the reduction of corporate taxes representing a C$500 million annual tax cut, are expected to spur increased purchases of capital goods. Tax benefits of C$425 million will accrue to individuals, supporting an expected 10 percent increase in retail sales this year. U.S. exporters will stand to benefit from these developments as well as from an improved position vis-a-vis third countries as a result of the Group of Ten monetary settlement.

On the commercial policy front, Canada will continue to press for multilateral tariff negotiations and will reassess the need to maintain preferential tariffs on British goods in view of Britain's EEC membership. To help developing countries improve exports, the government has sought authority from Parliament to grant preferential duties to such areas but at a yet to be specified effective date.

The tax changes should stimulate greater purchases of machinery for industrial and resource development. About half of Canada's purchases of machinery are imported, mostly from the United States. Concern over the environment augurs well for sales of pollution control devices. Anticipated good grain sales in Western Canada will spur increased buying of farm equipment. High construction levels portend good markets for construction machinery. Consumer durables, notably automobiles and parts and home furnishings, will move fast. Sporting goods, mobile homes, and camping gear should also sell well.

Canadian Government estimates indicate that during the first quarter of 1972 Canada's balance of payments reflected a current account deficit with the world of C$532 million, representing a swing of C$610 million from the surplus of the first quarter of 1971. This was occasioned by adverse changes in trade with overseas areas. However, Canada's trade surplus with the U.S. continued through the first quarter.

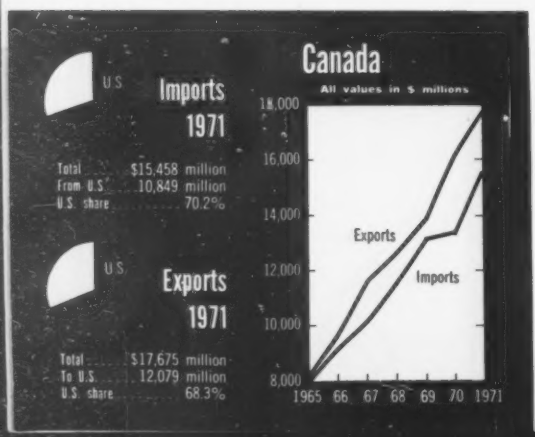
Based in the new $38 per ounce gold price, Canada's official monetary reserves rose by US$134 million in May to US$6,048 million. The Canadian dollar averaged 101.-12 U.S. cents in May versus 99.14 in May 1971.

Issue of foreign control

Reflecting a resurgence of nationalist sentiment, the issue of foreign control of Canadian industry is currently featured by the Government's call for legislation to screen foreign takeovers; by new income tax laws designed to encourage Canadians to invest more in Canada than abroad; and by the operation of the Government's new Canada Development Corporation backed with $2 billion to "help develop and maintain strong Canadian controlled and managed corporations . . ."

Investment emphasis in Canada is becoming increasingly directed toward raw materials. Petroleum and gas, mining and smelting, and hydroelectric projects of vast scale are under active consideration. These include a projected gas pipeline from the Arctic to the U.S. border; a 48-inch oil pipeline looping system from Alberta to Wisconsin; a multi-million dollar power station on the Nelson River in Manitoba; and the $5.8 billion James Bay hydro-electric project in Quebec.

CANADA'S CHIEF IMPORTS FROM U.S.: motor vehicles and parts and engines, industrial machinery, food, office machines including computers, communications equipment, tractors and parts. CANADA'S CHIEF EXPORTS TO U.S.: motor vehicles and parts and engines, crude petroleum and natural gas, newsprint, lumber, woodpulp, nickel.



Trade With Latins Is Growing

U.S. Export Gain Seen Further Stimulated By Effects of Currency Realignments

U.S. exports to Latin America, which in the first four months of 1972 were up by 5 percent over the same period of 1971, should experience an accelerating rhythm of expansion during the balance of 1972, according to R. F. Rodriguez, Regional Affairs Officer for the Commerce Department's American Republics Division.

Thus far this year, it has been the buoyant markets of Mexico, Brazil, and Venezuela — which together account for over half of total U.S. exports to the region — that have contributed to most of the 5 percent growth in U.S. exports. As the effect of the currency realignments established by the Smithsonian Agreement work themselves out in the market place, demand for U.S. products should be further stimulated in the last half of this year.

Mexico. U.S. exports to Mexico, the United States' major market in the region taking 25 percent of our total exports to Latin America, in the first four months of 1972 were up 9 percent over the same period in 1971. The upsurge reflected a resumption of expansionary policies in that country which stimulated the economy and engendered an increased demand for imports.

Andean Group. In the Andean Group countries—Bolivia, Chile, Colombia, Ecuador and Peru — the outlook varies from country to country, but, on the whole, U.S. exports are expected to remain at about the same level as in 1971. The Andean Group nations take about 15 percent of total U.S. exports to the region. In the first four months of 1972, U.S. exports were down about 5 percent below the same period in 1971. While improved economic conditions in Bolivia, Ecuador, and Peru generated increases in U.S. exports to these countries, the gains were offset by significant declines in exports to Chile and Colombia.

Progress toward eventual establishment of an Andean common market continued, and trade among the Andean nations gained.

Brazil. The booming Brazilian economy continues its high rate of economic growth and is generating a strong demand for capital goods and semi-processed products. For the fifth consecutive year the economy is expected to post a 10 percent growth rate, one of the world's highest. This market now takes 15 percent of all U.S. exports to the region, and U.S. exports in the first four months of 1972 were up 12 percent over the same period in 1971. Large investments in steel, petroleum refining, electric power capacity, chemical industries and highway expansion assure continuing high activity.

Caribbean. U.S. exports to the Caribbean Islands showed modest growth in the four months of 1972, expanding by only 3 percent over the same period in 1971. This market is large—amounting to close to $1 billion in 1971 or 15 percent of total U.S. exports to Latin America—and varied, with demand for a wide assortment of capital and consumer goods. In Trinidad and Tobago, Barbados, Haiti, Netherland Antilles, and the Dominican Republic, economic expansion fueled a lively demand for imports in the first third of 1972, but this was offset by declines in U.S. exports to Jamaica, Bahamas, and Bermuda.

Venezuela. A high level of economic activity in Venezuela and an ample supply of exchange reserves provides a favorable outlook for U.S. products. The country is the United States' third largest market in the region, taking 12 percent of total U.S. exports to the region. During the first four months of 1972, U.S. exports were up 13 percent over the same period in 1971. Developments in the petroleum sector, renegotiation of the bilateral trade agreement with the United States, and possible entry of Venezuela into the Andean Group for regional integration could affect the level and pattern of trade.

CACM. In the Central American Common Market, U.S. exports are expected to increase by about 7 percent over those of last year, reaching $434 million. This market comprises about 6 percent of total U.S. exports to Latin America, but the vigorous growth of the 1960s has been stalled as a result of the dispute between El Salvador and Honduras and its effect on the economic integration movement. Further disintegration has been checked, however, and this, plus some improvement in the region's economy and a stronger competitive position for U.S. exports, contributes to an improved outlook.

Argentina. A stagnating economy and a serious balance-of-payments deficit are the major factors affecting the trade outlook in Argentina. In this market, which takes about 6 percent of U.S. exports to the region, U.S. exports in the first third of 1972 were 7 percent below the same period in 1971. An improved U.S. competitive position and the essential nature of U.S. imports (capital goods) are expected to check what could be a larger cutback.

Panama, Guyana, and Surinam have also posted significant increases in imports from the U.S.

Andean Group

Moderately Increasing U.S. Sales Expected In Colombia, Ecuador, Peru, Bolivia, But Declines Continue In Chile

The Andean Group countries—Colombia, Ecuador, Peru, Chile and Bolivia—may import goods valued at an estimated $3.4 billion in 1972, up 9.8 percent over 1971 levels, according to Herbert A. Lindow of Commerce's American Republics Division. U.S. sales will probably rise only 1 percent to about $1.05 billion and account for a 30.9 percent market share. Moderately increased sales are expected in all countries except Chile where a decline is continuing.

U.S. suppliers should focus on individual country market conditions in addition to developments affecting the region as a whole. This also applies to some extent to investors. The Andean Investment Code imposes strict conditions and limitations on new and existing investments. International petroleum companies are spending substantial sums, however, to explore and develop oil deposits in Ecuador and Peru.

Colombia. Imports may rise to $850 million compared to about $775 million in 1971. U.S. sales are likely to increase moderately. Some economic recovery is anticipated due to recent improvements in agriculture, world coffee prices, and general exports. GNP may grow by about 6 percent.

Local business confidence improved as a result of the April municipal and departmental elections. Nevertheless, foreign investors still face the uncertainties of the Andean foreign investment code and it was reported that existing investment regulations may be revised to conform with the restrictions of the code.

Best sales opportunities appear to be for goods needed for electrification development, petroleum refineries, mining, water supply, hospitals and agriculture.

Ecuador. Imports may rise by about 10 percent in 1972 and the U.S. share is estimated to rise from 35 percent to about 38 percent. New investments by U.S. petroleum companies and other investors are a key factor in the expansion. Crude petroleum exports are to begin in the second half of 1972. GNP growth this year is estimated at 10 percent. A strong international reserve position is also expected.

Higher U.S. exports will probably occur for machinery in general, communications and transportation equipment, including parts, tractors, hand tools, soybean oil and tobacco.

Peru. U.S. exports are expected to increase by 13 percent in 1972 with Peru importing an estimated $250 million in U.S. goods. GNP may grow by 5 to 6 percent mainly because of increased construction activities, particularly in petroleum and mining. These activities will generate new import demand. U.S. food sales should also increase because of the availability of U.S. credits. In addition, the world currency realignment of late 1971 appears to be having some beneficial effects upon U.S. exports.

Good opportunities exist for items needed in petroleum exploration and development; heavy construction, communications, and power generating equipment; wheat; livestock; feed grains; and vegetable oils.

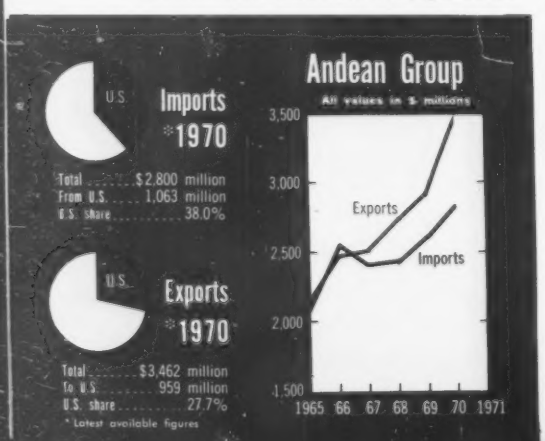
Chile. U.S. exports are expected to decline further in 1972 to about $200 million compared with $224 million in 1971 and $300 million in 1970. The U.S. market share will also be sharply lower—around 20 percent—from 37 percent in 1970. Reduced U.S. credit and capital flows to Chile together with international payments problems and a general climate of uncertainty are the main contributing factors in the U.S. decline.

U.S. sales to Chile include primarily spare parts, agricultural products, transportation equipment, and certain types of specialized machinery.

The Chilean Government is diversifying its sources of imports. Thus imports from the Latin American nations, Australia and New Zealand are increasing rapidly, particularly in food and agricultural products. Eastern Europe countries are also entering this market to an increasing degree.

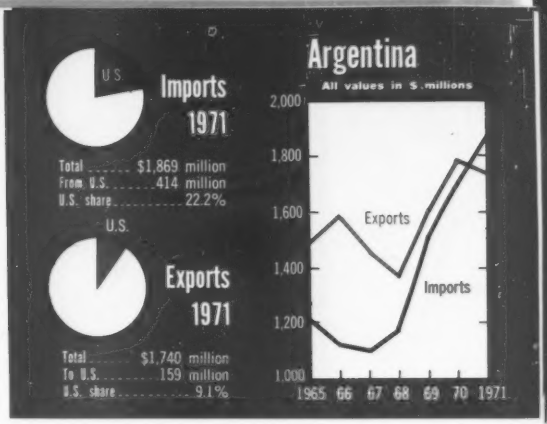
Bolivia. U.S. exports to Bolivia should expand by about 25 percent from $35 million in 1971 to $44 million in 1972. There are signs that the economy is beginning to recover from its 1971 slump and that normal trade patterns are returning. Domestic private investment activities are expected to increase this year, as the political situation appears to be more stable. Meanwhile, foreign investors will be closely following the Government's foreign investment policies. An equitable settlement of a pending expropriation case could provide reassurance to potential U.S. investors.

ANDEAN GROUP'S CHIEF IMPORTS FROM U.S.: machinery, chemicals, automobiles and parts, wheat, aircraft, soybean oil. ANDEAN GROUP'S CHIEF EXPORTS TO U.S.: coffee, copper, sugar, bananas, fish meal, iron ores and concentrates.



Argentina

Slight Decline Expected In U.S. Exports This Year, As Country Strives To Curb Heavy Flow Of Imports



Prospects for U.S. exports to Argentina point to a slight decline in 1972, according to the Commerce Argentina Desk Officer.

Faced with a critical foreign exchange position, which has been exacerbated by its 1971 foreign trade deficit, the Argentine Government, for balance-of-payments reasons, is striving to curb the heavy inflow of imports. To achieve this end, the Central Bank has moved to make imports more expensive through the adjustment of the applicable exchange rate and through the imposition of mandatory credit terms that in effect raise the cost of purchases abroad. At the same time, the Central Bank has acknowledged that it is unlikely that imports can be cut much below 1971 levels without adding to the risk of a recession.

Imports fell

Argentine imports in the first quarter of 1972, according to private sources, were only 2 percent less by value than in the first quarter of 1971. In view of the continued rise in inflation which reached an estimated annual rate of 40 percent in 1971 and jumped nearly 16 percent in the first two months of 1972, speculative imports and further inventory expansion may be expected to continue, unless the Argentine Government abruptly moves to shut off imports. In this connection, the Government has lengthened its list of prohibited imports, but the prohibition has been applied only to items which it adjudges as nonessential.

Import prohibitions now in force have or will have little effect on the bulk of U.S. trade. In addition, Argentine development plans call for large projects by the Government and its autonomous public enterprises in public works and infrastructure, some being financed by the Inter-American Development Bank (IDB) and the International Bank for Reconstruction and Development (IBRD). These projects are in the fields of hydroelectric power, nuclear power, petrochemicals, shipbuilding, port development, airport equipment, steelmaking machinery and equipment, and railway equipment.

Good opportunities

Good opportunities exist also in the fields of refrigeration and air-conditioning equipment, heavy earth-moving equipment, hospital equipment, cold storage equipment, and police and security equipment. The World Bank is financing a railway improvement program, and IDB is financing several large power projects, a roadbuilding program, and an iron-ore pelletization plant. Public investment capital expenditures by the national treasury in early 1972 were tentatively planned at a level 37 percent higher than in 1971.

Argentina's ability to carry through on this projected program will depend heavily upon foreign assistance. Foreign credits totaling $1 billion are sought by the Government. In the meantime, Argentina is experiencing critical economic difficulties. The balance-of-payments deficit for 1971 was $562 million. Central Bank foreign reserves fell to $260 million at the end of February 1972 from $725 million at the beginning of 1971. Little new private foreign investment has entered the country as the business community has been buffeted by as yet unchecked inflation and discouraged by apparent lack of consistent and coherent national policies.

ARGENTINA'S CHIEF IMPORTS FROM U.S.: machinery, aviation equipment, iron and steel, automotive equipment. ARGENTINA'S CHIEF EXPORTS TO U.S.: prepared meats, iron and steel, leather, sugar.

The Gross Domestic Product rose only 3.8 percent in 1971, a decline from 6.6 percent in 1969 and 4.8 percent in 1970. Present prospects are that there will be little improvement in the GDP rate of growth in 1972. Exports in 1972 will probably not exceed the 1971 level by much in view of the poor harvests.

Intrinsic strength

Despite the pessimistic view dictated by Argentina's political and economic uncertainties, one should not underestimate the country's intrinsic strength and long-term potential. The United States has a substantial interest in Argentina, with $1.3 billion in private direct investment at year-end 1970 and its position as Argentina's leading supplier with 22 percent of the Argentine market in 1971. The projected national investment plan offers attractive U.S. sales opportunities. The U.S. Export-Import Bank has played a vital role in supporting U.S. sales efforts.

Now in operation in Buenos Aires is the Regional Trade Development Center, sponsored by the Department of Commerce, which can provide expertise in promoting U.S. exports. The Center has scheduled a full program of trade promotion events for the current year.

Brazil

Expansion Plans And Continuing High Level Of Economic Performance Contribute To Prospects For Import Gain

A continuing high level of economic performance and vast expansion plans on the part of private industry and the government are the major factors contributing to Brazil's import trade outlook, states Harold Zassenhaus of the Department of Commerce's Brazil Desk. Total imports for 1971 are estimated at $3,700 million (c.i.f.), compared with $2,849 million in 1970. Unofficial estimates for the first four months of 1972 indicate that imports will again exceed the levels achieved during the previous year.

In 1971 the GNP, reflecting industrial productivity and an advancing agricultural sector, increased 11.3 percent. In 1972 the outlook for the Brazilian economy continues to look bright as GNP is expected to grow at a rate of 9 to 10 percent. The high level of industrial investment recorded in 1971 is continuing in 1972 and business community confidence remains high. No progress was made in 1971 to reduce the rate of inflation as domestic prices continued to increase between 19 and 20 percent. However, the government's efforts to reduce inflation continue and some results are expected to become evident during 1972.

A large increase in reported imports toward the end of last year boosted total imports by about 29 percent over the previous year. In 1970 U.S. products made up 32.2 percent of total Brazilian imports. No official import figures by geographical area exist for 1971 but there is little doubt that the United States continued to be Brazil's leading supplier (U.S. statistics reveal that U.S. exports amounted to $966.3 million in 1971). While Brazilian imports from the United States continued to increase, it is not known whether the United States has been able to maintain its share of the market.

Dramatic change

Brazil's balance of trade position changed dramatically in the last year as the $232 million trade surplus of 1970 eroded and the Brazilians were faced with a $325 million deficit at year-end 1971. This change of events was largely due to the enormous increase in imports and low international coffee prices which slowed export growth to under 6 percent. However, a large net capital inflow of approximately $1,823 million enabled Brazil to increase its foreign exchange reserves by more than $530 million to a total of $1,721 million in 1971.

Brazil's national development plan for 1972-74 calls for massive government spending in a number of industrial sectors. The main development objectives are to increase industrial production by 46 percent; installed steel capacity, 107 percent; installed electrical energy capacity, 49 percent; petroleum refining capacity, 50 percent; the highway network by 62 percent; and chemical output by over 150 percent. As a result, the development program offers some favorable prospects for U.S. exporters.

Included within the development plan is a continued emphasis on increased agricultural production and existing agricultural development programs in the north and northeast. As a result, good opportunities exist for exporters of fertilizers, refrigeration, food processing and packaging machinery and equipment.

Because of its impressive economic growth and positive attitude toward foreign investment, Brazil is an excellent area for investors. The country is particularly interested in investors who plan to increase the country's technological base, participate in Brazil's drive to increase its manufactured exports and those which enter into ventures with local concerns. Additionally, a variety of government fiscal incentives are available for approved investment projects.

Various resources will be made available to Brazil as the country is being given increasing attention by international lending agencies (Inter - American Development Bank, World Bank) and the Eximbank. The three institutions each plan to extend more than $200 million next year in loan authorizations.

The U.S. plans to participate in the International Printing and Packaging Exhibition scheduled to be held in Sao Paulo next March. In addition to two industry-organized government-sponsored trade missions, the U.S. Department of Commerce plans to sponsor and direct a hospital and medical trade mission-seminar to Rio de Janeiro in the fall; sponsor a food packaging seminar in March in Recife and one other, as of yet undecided, Brazilian city; and fund a catalog show for tourism and leisure products in Rio, Oct. 2-5.

BRAZIL'S CHIEF IMPORTS FROM U.S.: nonelectrical machinery, chemicals, aircraft and parts, electrical machinery, wheat, road motor vehicles and parts. BRAZIL'S CHIEF EXPORTS TO U.S.: coffee, sugar, cocoa, canned meat, iron ore and concentrates, manganese ore and concentrates.

Caribbean

U.S. Exports Seen Expanding 20 Percent Over 1971 Level Due To Gain In Economic Activity, Greater Monetary Stability

U.S. exports to the Caribbean area—excluding Haiti and the Dominican Republic—are projected to reach a total of $984 million in 1972, representing an increase of 20 percent over last year's total, according to Kathleen Murphy of Commerce's Caribbean Desk.

Although U.S. exports to the area actually decreased by 2.3 percent during 1971—partly as a result of the U.S. dock strike, a slowdown in U.S. tourist travel and investment expenditures, and the worldwide monetary crisis—the momentum of previous years' rapid growth of this market is expected to be regained with the upturn in the U.S. economy, the return of greater monetary stability, and increased economic activity in the area.

It is also expected that the U.S. devaluation in terms of major world currencies will make U.S. products more competitive in the Caribbean market, provided that U.S. exporters do not take advantage of the situation and raise export prices.

Trade among CARIFTA (Caribbean Free Trade Association) members has grown significantly from $48 million in 1967 to $83.6 million in 1970. This growth is still modest, however, in terms of CARIFTA's share of the members' total imports, which rose from 4.6 percent in 1967 to 5.9 percent in 1970.

Bahamas. Total U.S. exports to the Bahamas, as well as the U.S. market share, have been declining since the end of 1969, reflecting lessened business activity in the islands caused partly by a general reduction in U.S. investment outflows and U.S. tourism, and by investor uncertainty over the present restrictive policy in granting work permits to foreigners.

Long-range prospects are favorable for increasing U.S. exports to the islands, though, once the former pace of economic growth is attained. For the U.S. to regain its share of this market, exporters will have to be more competitive—particularly with the United Kingdom which in 1970 increased its exports to the Bahamas by 80 percent while exports from the United States fell by 12 percent. Demand remains strong for consumer goods, food, building materials and equipment, and hotel and restaurant equipment.

Jamaica still expanding

Jamaica. U.S. exporters should continue to increase their share of the Jamaican market, presently at 42 percent, as the economy continues to expand at a healthy and even rate in most sectors. Construction should lead the way with new schools, hospitals, roads, tourist accommodations, office buildings, and apartment and condominium developments taking up the slack in construction and employment felt last year after the present expansion phase of the bauxite-alumina industry was completed.

Business confidence seems steady although the new Government's policies on investment are not fully known. Foreign investors can expect increased pressure for Jamaican equity participation. There are good markets for construction equipment, food, textiles, and a variety of raw materials needed for the manufacturing sector of the economy.

Trinidad. While Trinidad and Tobago's real growth continued at a low level in 1971, the long-range outlook for the economy is favorable, based on new petroleum expansion which hopefully will stimulate expansion in other sectors.

The U.S. share of Trinidad's import market increased by 6.7 percent in 1971, with U.S. products in wide demand despite some obstacles including protection of domestic production through a growing Negative List for imports. Specific export opportunities exist in petroleum, natural gas, tourism, and shrimping, and the expected growth acceleration will provide increasing opportunities in both consumer and capital goods.

Netherlands Antilles. Although statistics are not yet available it is evident that the economy's growth continued at a favorable rate in 1971. A $94 million desulfurization plant was opened by the Lago refinery in Aruba in August 1971, a new 120,000 ton graving dock was completed on Curacao in April 1972, and investments continue to be made in tourism and small manufacturing plants.

Dutch aid to the islands will increase significantly to a total of $120 million for the 1972-76 period; U.S. firms may compete for contracts since these funds are not tied to Dutch suppliers.

U.S. exporters continue to dominate the market, though the U.S. share of Netherlands Antilles imports slipped from 44.6 percent in 1967 to 37.8 percent in 1970. The EEC countries plus England increased their share from 33 percent to 36.9 percent during the same period. U.S. sales are rising in absolute terms, with demand still growing for food, clothing, household appliances, and equipment for the tourist and construction industries.

Central America

Moderate Gain In U.S. Exports Seen In Next Six Months, Resulting Partly From Effects Of Currency Realignments

U.S. exports to the five-country Central American Common Market (CACM) area should increase moderately in the next six months, according to Joseph Payne of the Commerce Department's Central America Desk. The outlook for 1972 as a whole is for U.S. exports to increase by 7 percent over 1971, reaching $434 million.

Primary reasons for this outlook are the somewhat stronger economies of the CACM countries, improvement in the U.S. competitive position resulting from last year's monetary realignment, halting of further disintegration of the CACM, and the fact that 1971 U.S. export figures to the area were lower than normal due to the effects of the dock strikes.

CACM developments

There has been little movement, either toward or away from integration, in the Central American Common Market during the past six months. The rapid disintegration that characterized the CACM prior to July 1971 has given way to a period of consolidation. Costa Rica, Guatemala, El Salvador, and Nicaragua seem to have survived the loss of trade preferences from Honduras without violating the principal of free trade between one another. While there has been no further disintegration there has been little real progress toward re-incorporating Honduras into the group.

Honduras and El Salvador have yet to reestablish diplomatic and commercial relations that were severed during the brief war between them in 1969. In addition, Honduras does not permit Salvadoran goods to pass through its territory on the Interamerican Highway destined for Nicaragua, Costa Rica, or points south.

While the overall economic growth of the area should be stronger than during 1971, there are variations among individual countries. Nicaragua's economy has been stimulated by record cotton crops that have also aided her balance-of-payments position. On the other hand, Costa Rica, still feeling the effects of the loss of the Honduran market, has had balance-of-payments problems. This has necessitated the institution of a dual foreign exchange system that imposes a surcharge on less essential imports entering Costa Rica.

Monetary realignment

Last year's monetary realignment should enhance U.S. competitiveness, especially in certain commodities, but it is difficult to predict the overall effect on the U.S. trade position in this area. There are reports that some U.S. exporters have increased their prices. This has partially diminished the price advantage gained by revaluation of currencies. In addition, in product lines in which our competitors are already well established (autos, radios, cameras), the price swing may not be enough to entice distributors to shift sources of supply. However, the competitiveness of many U.S. capital goods should be strengthened at this time when the total demand for capital goods is increasing because of infrastructure projects in the CACM. On balance, the prognosis is for the U.S. market share to remain the same or increase slightly.

CACM'S CHIEF IMPORTS FROM U.S.: machinery, automobiles and parts, kraft paper and paperboard, wheat, organic chemicals, fertilizers. CACM'S CHIEF EXPORTS TO U.S.: bananas, coffee, beef, sugar, shrimp, tobacco.

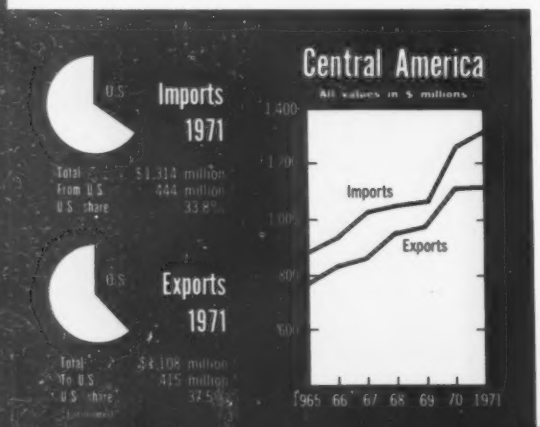
Commodity outlook

The disruption of the CACM continues to dampen new private investment in the area, which somewhat lessens the prospects for capital goods imports. This should be offset by an increased level of infrastructure projects undertaken by the governments of the area. A number of projects are being financed by AID, the World Bank, or the Inter-American Development Bank.

There is substantial variation by country. For instance, irrigation equipment is in demand in Nicaragua because of the cotton boom. Consumer goods and raw materials should enjoy increased demand in Honduras because that country no longer extends trade preferences to the other four CACM countries.

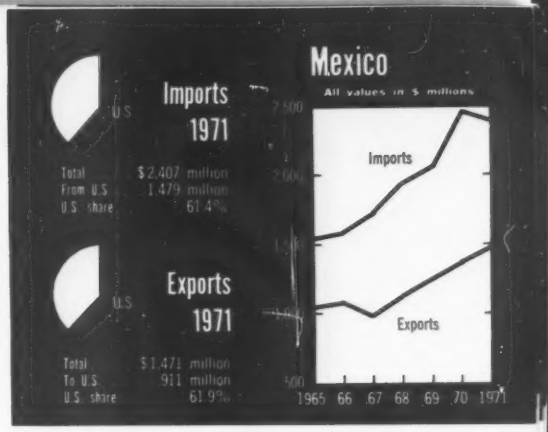
In general, throughout the CACM area, the following imports should increase most rapidly: agricultural machinery, irrigation equipment, road construction machinery, transport equipment, electric power and telecommunication equipment, and agricultural chemicals.

Major infrastructure projects include: road construction, electrification, and public water supply in Nicaragua; rural electrification and telecommunications in Guatemala; road construction, electrification and water supply in Costa Rica; and road construction in Honduras.



Mexico

Business Upturn Expected After Economic Slowdown in 1971; Imports, Especially Capital Goods, Seen Gaining This Year



Mexico's import levels are expected to increase by at least 6 percent in 1972, after a modest decline in 1971, reports Paul S. Flores of Commerce's Mexico Desk.

As a result of a $1.1 billion trade deficit and inflationary pressures in 1970, Mexico took several measures, primarily in the monetary and fiscal areas in 1971, designed to improve its balance of payments and curb inflation. These measures were moderately successful, but they also contributed to a slowdown of economic growth. It is expected that in 1972 Mexico will increase public and private investment, relax monetary restraints and take any reasonable measures necessary to stimulate the economy. This will generate a higher level of imports, especially of capital goods for industrial expansion and economic infrastructure.

Faster growth forecast

Mexico registered its lowest Gross Domestic Product growth rate in many years in 1971. The Bank of Mexico did not announce a definite GDP growth rate in its preliminary annual report but indicated it was in the 3.2 to 4.4 percent range. This compares to a real GDP growth rate of 7.7 percent in 1970 and an annual average growth rate of nearly 7 percent during the sixties. Economic growth is expected to rise at a higher rate in 1972, however—somewhere in the 5 to 6 percent range.

Business confidence improved in the first few months of 1972 and was reflected in a marked pick up in construction activity and in increased sales in several consumer goods lines, notably automobiles and household durables. Increased private and government investment is expected during the second semester. A new worker's housing agency, which started operations in May, will construct 100,000 housing units per year, including some 50,000 to 70,000 units in 1972. This activity will not only stimulate the steel, cement and other building materials industries, but should contribute substantially to business confidence in general.

The Mexican peso remained pegged to the U.S. dollar, during the recent international monetary realignment. Thus U.S. products should enjoy a slight price advantage relative to that of most major foreign competitors.

The U.S. share of the Mexican market declined slightly, from 63.7 percent in 1970 to 61.4 percent in 1971, and represented a drop of $89 million in Mexican imports from the United States. This decline can be attributed primarily to a sharp curtailment of public sector imports and to the stagnant economic conditions in general. There were no specific commodity categories, however, in which the U.S. market share was seriously affected.

Capital goods—including machinery and equipment for industry, transport and communications, electric power, and similar types—especially those with high technological content, will continue to offer the best sales potential. Raw materials, such as chemicals and components for inclusion in Mexican manufactures also offer good sales prospects.

MEXICO'S CHIEF IMPORTS FROM U.S.: ***industrial machinery, electrical machinery, automotive vehicles and parts, natural gas, petroleum products, iron and steel scrap.***
MEXICO'S CHIEF EXPORTS TO U.S.: ***sugar, tomatoes, shrimp, live cattle, coffee, iron and steel.***

Exporters must follow developments in the Mexican market closely, however. Although imports are constantly expanding, import patterns change frequently as Mexican industry moves from production of consumer goods primarily, to the production of intermediate and even some more advanced types of industrial items. Consumer goods in general will continue to account for a decreasing percentage of Mexican imports, auto parts being the major item in this category.

Record exchange reserves

Although Mexico had a trade deficit of $936 million in 1971, it had a balance-of-payments surplus of some $200 million and finished the year with record exchange reserves of $1.02 billion.

With the inauguration of the U.S. Trade Center in Mexico City, U.S. exporters have the advantage of a permanent showcase in the United States' largest Latin American market. The Center scheduled six major shows and some 50 between-show promotional events in 1972.

The two shows still to be held this year are a Food Processing Machinery and Equipment Exhibition scheduled for Sept. 4-8 and a Graphic Arts Machinery and Equipment Exhibition to be held Oct. 16-20. A specialized Metallurgy Equipment and Instrumentation Trade Mission will go to several cities in Mexico in November.

Venezuela

Continued Economic Growth, Expanding Industry, Other Factors Point To Moderate Increase In U.S. Exports

The value of U.S. exports to Venezuela is expected to increase moderately in 1972, according to J. M. von Stroebel, Commerce's Venezuela Desk Officer, with the total surpassing the $800 million mark. As a result of continued economic growth, increased Government expenditures, and rising bank liquidity, purchasing power and available credit have risen at an unprecedented rate. This, along with expanding industry, has fueled a growth in Venezuelan import demand.

Expansion will continue

Despite a drop in oil output and sales in 1971 and the first part of 1972, the economy has been growing at an annual rate of about 5 percent. This expansion probably will continue through 1972. Growth in the non-petroleum industrial sector has been around 7 percent. Construction has recovered from the decline of 1969-70, and the services sector has recorded vigorous growth rates. Retail sales increased by 18 percent in 1971.

The Government is planning to continue a heavy investment program, financed by the higher taxes set on extractive industries last year. It is hoped that the industrial base of the country can be expanded and diversified. At the same time, strong efforts are being made to improve agriculture and cattle-raising.

Venezuelan imports are continuing an upward trend, with the United States keeping close to its traditional share, in the range of 48 percent. U.S. exports to Venezuela increased by 3.7 percent in 1971, to $787 million, and are expected to increase by perhaps another 5 percent in 1972. Venezuelan export earnings, which depend heavily on petroleum, have not fared as well as had been hoped—largely because of an unusually warm 1971-72 winter in the Eastern United States.

Venezuela is planning a complete revision of its import control policy and mechanisms. Although the revision will not affect trade in 1972 directly, it could be important in the shaping of the future trade pattern and volume.

In preparation for this restructuring, the United States and Venezuela exchanged notes to regularize the situation following Venezuela's notice of termination, effective June 30, of the 1939 Reciprocal Trade Agreement between the two countries. It was agreed that petroleum tariffs specified in the Reciprocal Agreement shall be maintained at the present low rate. At the same time, the most favored nation principle was reaffirmed, although an exception was made in the event that Venezuela should desire to enter into free trade pacts or customs unions. Venezuela is studying the possibility of entry into the Andean Pact.

In the interim, prior to completion of a new tariff schedule by Venezuela, all goods formerly granted concessions by Venezuela under the Agreement will be subject to import licensing.

Many product categories will find good market possibilities in Venezuela, including, just to mention a few, food processing and packaging equipment, materials for the hotel and tourist industry, materials handling equipment, and equipment for the construction industry. The Department of Commerce is sponsoring a trade show in October 1972—featuring advanced business machines, which should enjoy a good market.

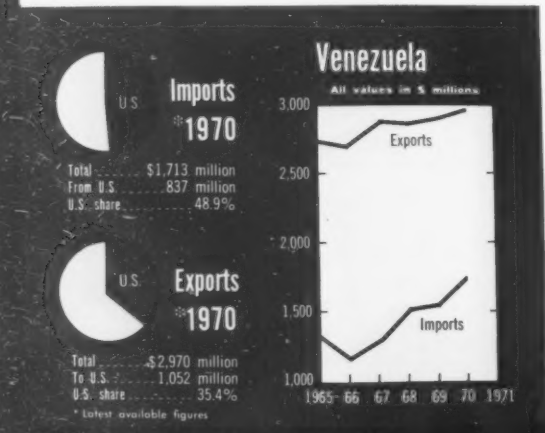
Venezuela continues to have a favorable balance of trade and a rather comfortable level of foreign exchange reserves—over $1.4 billion at the end of 1971. The currency realignments of last year will favor the U.S. supplier a little in some categories, but are not expected to have a heavy impact on trade.

Unsettling factors

Although considered to have a beneficial investment climate for many years, some unsettling factors have been introduced recently. The Government is preparing an investment law proposal to be submitted to Congress, probably somewhat along the lines of the Andean Code. No time frame exists, however, for completion of the process, and until a law has actually been passed there will be a large element of uncertainty in investor decisions.

Nationalistic trends in petroleum and several other fields also are causing some concern among investors, both domestic and foreign. It is feared that the campaign already under way for the presidential election in December 1973 may strengthen nationalistic policies toward foreign investment.

VENEZUELA'S CHIEF IMPORTS FROM U.S.: industrial machinery, chemicals, automotive vehicles and parts, wheat, iron and steel, measuring, controlling and scientific instruments. VENEZUELA'S CHIEF EXPORTS TO U.S.: fuel oil, crude petroleum, iron ore, coffee, shrimp, sugar.



West Europe: It's A Better Year

Slight Improvement Predicted In Rate Of Economic Growth; Gain in U.S. Exports Seen

This year promises to be a somewhat better year for Western Europe than its predecessor, which was characterized by slow growth, rising unemployment, diminished investment, speculative short-term capital movements and galloping inflation. Under these circumstances, plus U.S. dock strikes, it is not surprising that American exports to Western Europe failed to increase in value. For 1972, J. Robert Wilson, Chief of the European Regional Affairs Staff, predicts a slight improvement in the rate of European economic growth and an increase in the level of U.S. exports.

Greater confidence

Last December's Smithsonian agreement on currency realignment lessened the uncertainty in international payments. Thereafter Europeans expressed greater confidence in their economic prospects and talk of recession receded. Nevertheless, few Western European governments were able to face 1972 with much more than guarded optimism regarding economic prospects. Most of them would have welcomed an acceleration of economic growth but the pressures of inflation severely limited their ability to apply expansionary policies.

An historic step toward European integration was taken on Jan. 22 with the signing of the treaties providing for accession of the United Kingdom, Ireland, Denmark, and Norway to the European Communities. Actual entry is scheduled to take place in January 1973, following ratification of the treaties. Over the past several months the major hurdles to ratification in the British House of Commons have been overcome, albeit with the slimmest of voting margins. The Irish referendum recorded a vote of nearly 5 to 1 in favor of joining the EEC. The Danish and Norwegian referendums will take place this fall.

February saw the conclusion of trade negotiations between the United States and the Commission of the European Communities. Agreement was reached on stockpiling grain surpluses and on improved tariff treatment for U.S. exports of citrus fruit to the Common Market. Moreover, both parties agreed to work toward comprehensive multilateral negotiations in 1973 to expand world trade.

The immediate prospects for U.S. trade and investment in Western Europe continue to depend heavily on the economic situation and monetary and fiscal policies in the individual countries. In this respect the picture is one of diversity and, in several cases, of uncertainty.

The Commission of the European Communities, in its second quarterly report on the economic situation, forecast a 1972 increase in real GNP of only 3 percent for the EEC as a whole, as compared with 3.5 percent last year. It foresaw the main pickup in business activity taking place in the second half of the year. For the individual countries, the predicted percentage gains in real GNP and in the value of imports in 1972 were: France, real GNP 4.5 and imports 11; Belgium, 3.5, 8.5; Italy, 3, 11; Netherlands, 2.5, 5.5; Germany, 1.5, 5. These forecasts indicate a slowdown in the rate of economic growth in France, Germany, and the Netherlands and no change for Belgium. The rate for Italy, however, would represent a significant improvement.

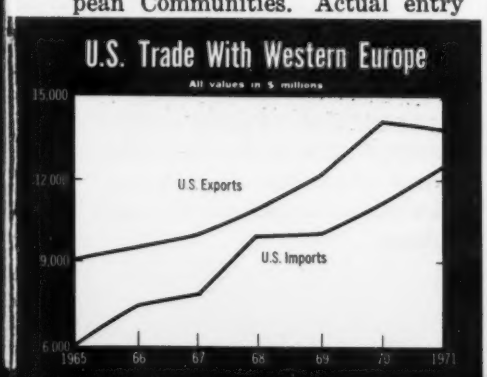
In Germany, recent developments have brightened the economic outlook. Unemployment has declined and order books have lengthened. However, there is renewed fear that the coming business expansion will be accompanied by another burst of inflation.

Although Britain enjoyed a continued strong balance of payments in 1971, the domestic economic performance was disappointing. Production continued sluggish, unemployment soared to one million and inflation persisted. The March 1972 budget represented a decisive effort to boost demand substantially. It included sweeping tax cuts for consumers and entrepreneurs.

EEC enlargement

Although Britain and the other prospective new members of the EEC are scheduled to join the Community in January 1973, the impact of this event on trade will not be immediate. Moreover, it will be spread over five years. The process of aligning the new members' tariffs with those of the common external tariff will start on Jan. 1, 1974, when 40 percent of the difference in the tariffs will be eliminated. The remaining difference will be eliminated in three 20 percent steps on Jan. 1, 1975, Jan. 1, 1976, and July 1, 1977. In most cases British tariffs will have to be adjusted downward to conform with the common external tariff.

The EEC is currently negotiating with those members of the European Free Trade Association that have not applied for EEC membership with the objective of concluding industrial free trade arrangements.



Austria

Economy May Be Leveling Off After Four Big Years; Imports From U.S. Will Probably Rise Only Modestly

After four years of exceptionally dynamic growth, the Austrian economy now shows definite signs of leveling off. Import growth, which has been especially rapid during this boom period, also will abate somewhat, but will still be substantial. Imports from the United States, however, will probably increase only moderately above the record 1971 level, allowing little or no improvement in the already modest U.S. share of the Austrian market.

For the past several years, reports Maurice Kogon, Commerce's Austria Desk Officer, Austria has enjoyed the highest real economic growth of any country in Western Europe. This impressive record was achieved, moreover, without inducing any significant inflationary pressure.

Signs now emerging, however, suggest not only a slackening in the real growth rate in 1972, but also a worrisome upward movement in prices. Current projections are that real GNP growth will slip to the 4-5 percent range in 1972, compared with 5.5 percent in 1971, and that consumer prices may rise by as much as 5-6 percent, compared with 4.7 percent in 1971.

Foreign trade has benefitted greatly from Austria's sustained economic boom, particularly on the import side. In 1971, total imports of $4.2 billion were 13.2 percent higher than in 1970, while exports increased by 6.4 percent to $3.2 billion. Austria's trade deficits have traditionally been offset by earnings from tourism and services.

In first quarter 1972, compared with the same period last year, imports gained at a still healthy though somewhat lesser pace of 9.1 percent, rising to $1.16 billion. Exports in the first three months of 1972 increased by 5.2 percent over the corresponding 1971 level to $833.5 million.

Rapid import increase

Imports from the United States, though still quite low, have increased very rapidly in recent years, by 23 percent in 1971 and 50 percent in 1970. The record level of $156 million achieved in 1971 included, however, some $38 million in DC-9 jet aircraft sales to Austria. In 1972, only about $10 million of this aircraft package remains to be purchased.

Nevertheless, with Austrian purchases of U.S. goods picking up in other areas, the United States should be able to exceed the 1971 sales level by a good margin. In first quarter 1972, Austria's imports from the United States, at $38.9 million, were running 15 percent ahead of the corresponding 1971 total. This brought the U.S. share of the market up slightly to 3.4 percent, compared with 3.2 percent as of the end of March 1971 and only 3.1 percent for 1971 as a whole.

The potential for U.S. exports to Austria is much greater than the figures would suggest. Although Austria geographically is a small country, its GNP is $16.8 billion, its imports amount to $4.2 billion, living standards are high and it has a high degree of industrialization. Yet, the current U.S. market share of only 3-4 percent in Austria is lower by far than the U.S. share in any other industrial country of comparable economic stature. Even counting the U.S. goods apparently reaching Austria from distribution outlets in Germany and other neighboring countries, the U.S. share would still be anemic by comparison.

A more active and concerted marketing effort by U.S. firms could change this picture. This is, moreover, an especially propitious time for making such an effort. The 10.4 percent Austrian revaluation last year vis a vis the dollar has significantly improved the competitive position of U.S. exports.

The U.S. products that could benefit most from this development include a wide range of leisure goods, particularly sports and health equipment; cosmetics; canned foods (except red meats); and household textile goods.

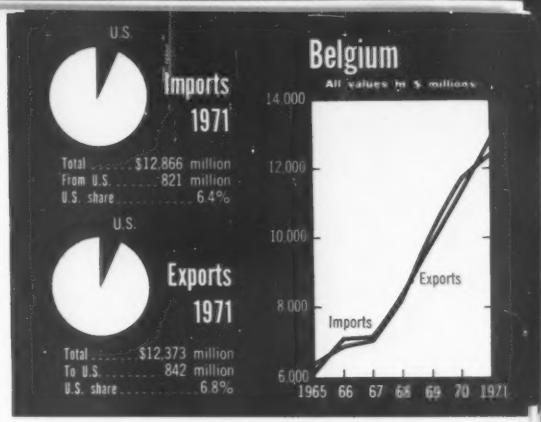
In the industrial products area, excellent prospects exist also for U.S. pollution control equipment; automated production machinery, particularly numerically controlled; electronic measuring, testing and control equipment; and such office machinery as electronic calculators, mini-computers and magnetic tape typewriters.

In addition, with a more aggressive marketing effort, U.S. exports of the following products, all with unusually low market shares in Austria at present, could be increased substantially based on their proven competitive strength in other markets: industrial chemicals, medicaments, coated paper, ferro alloys, piston engines, valves, semiconductors, and telecommunications equipment.

AUSTRIA'S CHIEF IMPORTS FROM U.S.: aircraft, feeds, machinery, chemicals, nonferrous metal ores, tobacco. AUSTRIA'S CHIEF EXPORTS TO U.S.: sporting goods and toys, machinery, bicycles, apparel, shoes, cheese.

Belgium

Moderate Level Of Economic Activity Is Expected; United States Market Share Down Substantially



Belgian foreign trade will rise modestly during the rest of 1972 as expansionary economic policies increasingly stimulate demand. The expansionary impulse is expected by Robert H. Walker, Commerce's Desk Officer for Belgium, to continue into 1973.

After a period of weak expansion which dates from mid-1970 the economy seems to be strengthening slightly. Positive factors include a pronounced improvement in the psychological climate resulting from the Smithsonian currency realignment and a strengthening of demand from Belgium's export markets, particularly in the EEC.

The gross national product in 1971, $28.2 billion in current prices, rose 3.7 percent in real terms, compared with 5.7 percent in 1970. For 1972 a GNP increase of 3.8 percent is officially forecast, assuming the adoption of a number of expansionary economic policies. The Belgian economic plan for 1971-1975 anticipates an average annual real GNP growth rate of 4.8 percent, a slightly higher rate than that achieved during the second half of the sixties.

Among the expansionary measures recently introduced by the Government are efforts to stimulate consumption by liberalizing installment purchase terms and aid the construction industry by increasing public housing and raising building premiums for private dwellings.

Following a long period of relative price stability, Belgian wholesale prices began to move up from early February 1972. Recently consumer prices have shown some signs of leveling off. The April index was only 4.8 percent above April 1971. The rise in industrial wages is expected to be less than in 1971.

Belgium-Luxembourg (BLEU) trade reached new highs in 1971 but the rate of increase was below that for 1970. Total imports were $12,537 million, up 10.3 percent from 1970, while exports totaled $12,077 million, only 4 percent above 1970. In 1970 the rate of increase was 13.8 percent for imports and 15.3 percent for exports. The Common Market countries again increased their combined share of BLEU trade. The EEC import share rose to 63.2 percent, while the export share increased very slightly to 68.6 percent.

Imports dropped

In 1971 imports from the United States dropped 19.5 percent to $802 million. BLEU exports to the United States jumped 18 percent to $697 million. The drastically lowered import total reduced the U.S. market share from 8.8 percent in 1970 to only 6.4 percent, the lowest in more than a decade.

In the near future, increased sales of American capital goods should result from the expansionary policy of the Government and the emphasis on investment in the Five-year plan. Good prospects are seen for: chemicals; industrial and scientific instrumentation; pumps, valves, and compressors; food processing and packaging equipment; pollution control equipment; and various consumer goods including frozen and convenience foods.

BELGIUM-LUXEMBOURG'S CHIEF IMPORTS FROM U.S.: nonelectrical machinery, chemicals and products, grain, textiles and products, automotive vehicles, diamonds. BELGIUM-LUXEMBOURG'S CHIEF EXPORTS TO U.S.: iron and steel mill products, chemicals and products, nonelectrical machinery.

Although it is by no means certain that an economic upturn has definitely begun in Belgium, business confidence has improved following the conclusion of the Smithsonian agreement. The relative monetary stability and the restoration of international cooperation resulting from the agreement has dispelled the fear of a trade war and its aftermath.

Help over long run

While it is too early to determine its full effects on U.S. exports, the devaluation should help increase the price competitiveness of certain U.S. product lines over the long run. This potential advantage will be further strengthened if Belgian prices rise more rapidly than U.S. prices. There have, however, been fewer price reductions for United States products on the local market.

The investment climate in Belgium remains favorable, particularly in view of the projected expansion of the European Communities. Because of the renewed emphasis on economic growth, foreign investment will continue to be considered an important and necessary tool to achieve declared economic ends.

During 1970-71 U.S. investment declined, a natural trend following the extremely high investment rate maintained between 1964-69. Nevertheless, the need for technologically-advanced industries, plus the attractive incentives offered, will still draw U.S. companies.

Denmark

Modest Upturn Which Began Last Year Seen Continuing; U.S. Sales Are Expected To Show Further Expansion

The 1972 outlook in Denmark calls for continuation of the modest upturn which began late last year. Import growth should exceed the 3 percent increase for 1971 while exports will expand by about 9 percent. U.S. sales are expected to enjoy another good gain although a repeat of the record 16 percent rise of last year is not forecast, according to Robert W. Francis, Jr., the Commerce Department's Denmark Desk Officer.

Danish economic growth slowed considerably in 1971. Private consumption, industrial output and the rate of export growth declined from previous levels. The balance-of-payments deficit improved as a result of reduced import growth, but large trade deficits remain the major Danish economic problem. The only impetus to economic growth came from increased public spending and a moderate expansion of industrial exports.

In 1972, wage increases will revive private demand while the planned reduction of the central government budget surplus will provide further expansionary stimulus. Continued tight credit conditions and high interest rates will be maintained to avoid an increase in the trade and payments deficit. Plant and residential construction should continue their modest growth of last year, but purchases of machinery and equipment will be restrained by the temporary import surcharge and uncertainty over future economic activity.

Danish GDP grew to slightly over $17 billion last year, a 2.8 percent increase in real terms. Inflationary pressures continued with prices rising an average of 7 percent. Current estimates are for a 4.5 percent increase in GDP this year. Wage increases, including two probable cost-of-living raises, will put further pressure on the price level and aggravate the trade deficit by stimulating demand for consumer goods imports.

A good deal of uncertainty marks the current business climate. Many firms have postponed major investment decisions until after the referendum on Danish membership in the EEC. Approval of membership by the voters would open a large new market to Danish companies, but also increase competition on the home market. These factors will necessitate significant modernization and rationalization of plant facilities.

Good U.S. sales year

The U.S. share of the Danish import market rose to 8.4 percent last year, up from 7.5 percent in 1970. The 16 percent increase in sales is especially significant given the low overall growth of imports. Non-electrical machinery, soybeans, transportation equipment, electrical machinery and tobacco products were the most important U.S. export items. Danish exports to the United States increased 7 percent to $285 million. Denmark's EFTA trading partners, especially the United Kingdom and Sweden, remain her most important markets.

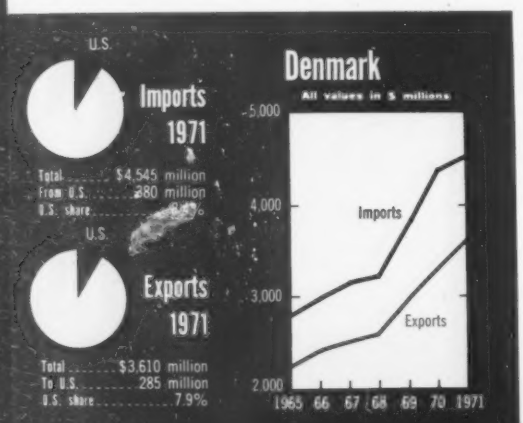
Alarmed by the persistent trade deficits, the new Government's first major economic measure was to introduce a temporary 10 percent surcharge on most imports. The rate dropped to 7 percent July 1 and is scheduled for reduction to 4 percent Jan. 1, 1973. It will expire March 31, 1973. Raw materials, some semi-manufactures and many finished products not produced domestically are exempt from the measure.

DENMARK'S CHIEF IMPORTS FROM U.S.: *nonelectrical machinery, oilseeds, transportation equipment, electrical machinery, cereals, tobacco and products.* ***DENMARK'S CHIEF EXPORTS TO U.S.:*** *canned meats, electrical and nonelectrical machinery, fish and fish products, dairy products, furniture.*

U.S. position improves

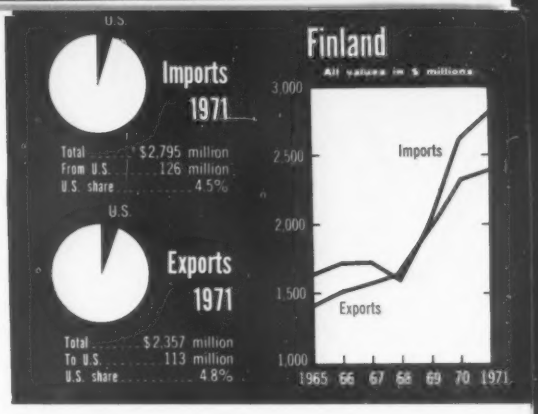
The recent exchange rate realignment resulted in an appreciation of the Danish crown by 7.5 percent relative to the dollar. The U.S. competitive position in the Danish market has improved particularly in relation to German products. This should help U.S. suppliers maintain good sales to Denmark. Products with the best sales potential as identified by the U.S. Embassy in Copenhagen include selected fish products, oilcake meal, nonferrous metals, instruments, food processing and packaging equipment, printing equipment and all types of labor-saving industrial equipment. Distance from the market and strong competition hinder consumer goods sales.

Two U.S. specialized trade missions to Denmark are planned for this fiscal year. Food processing and packaging equipment is the theme of the first mission, now scheduled for November. A second mission, probably in the spring of 1973, will feature instrumentation as its theme. The U.S. Trade Center in Stockholm continues to present exhibits on themes oriented toward the Nordic market.



Finland

Modest Recovery From 1971 Recession Expected; Many Investment Decisions Have Been Postponed



The Finnish economy is expected to stage a modest recovery this year from the severe recession of 1971. Imports and exports are forecast to rise significantly with a minor improvement expected in the balance of payments. Government policies will be somewhat expansionary without having an adverse impact on the trade deficit.

According to Robert W. Francis, Jr., the Commerce Department's Desk Officer for Finland, weakened demand for Finnish exports and major strikes in the economy aggravated the cyclical downturn last year. Total exports rose only 2 percent while imports increased 6 percent, resulting in a record trade deficit. Economic improvement in Finland's leading markets this year should help reverse the trend. Export growth is forecast at 10 percent while imports should rise 8 percent.

Economic forecast

Finland's GNP grew only 1.5 percent in real terms in 1971, compared to an average 9 percent in the previous two years. A 3.5 percent real increase is expected in 1972. Export growth and strengthened consumer demand should provide the main impetus. Unemployment, inflationary pressures and declining investment will remain significant problems. Private investment activity is forecast to decline by 2 percent in 1972 despite government efforts to stimulate it.

Many investment decisions have been postponed pending significant improvement in the economy and the outcome of Finland's current negotiations with the EEC for an industrial free-trade agreement. The removal of these uncertainties should renew business confidence and strengthen economic growth.

The newly concluded incomes negotiations provide for industrial wage increases averaging 7.2 percent and a rise in agricultural target prices of 7.6 percent. Despite price and rent controls, prices are forecast to go up by 6 percent this year. Increased wages should strengthen consumer demand.

The U.S. share of the Finnish import market declined from 5.2 percent in 1970 to 4.5 percent in 1971. Exports of chemicals, metal products and non-electrical machinery declined while sales of electrical machinery, oilseeds and transportation equipment gained. Although the weakened demand for investment goods will prevent the United States from regaining its 1970 share of the market, an increase to 4.8 percent is likely. The recent monetary realignment resulted in an appreciation of the currencies of major U.S. competitors in the Finnish market, a development which should benefit U.S. sales, especially of more price sensitive items. The Finnmark appreciated only 2.4 percent relative to the dollar so the competitive advantage gained vis-a-vis domestic competitors is not significant.

Import tax extended

The temporary 15 percent tax on consumer durable products lapsed at the end of 1971. The import tax (1.2 to 5 percent) was extended throughout 1972. Finland currently levies no duties on most industrial goods imported from EFTA trading partners.

Despite the current economic slowdown, there are many products with above average sales potential. Strong marketing efforts in Finland are necessary to meet third country competition in selling these goods. Specific product categories as identified by the American Embassy in Helsinki include: processed food items, tobacco, chemicals, valves and fittings, nonelectrical machinery, electronic testing equipment, recreation equipment and instruments.

The deteriorating balance of payments situation in 1971 hindered government efforts to stimulate economic activity. The trade deficit rose to a record $439 million and the current account deficit to $342 million. However, long-term borrowing increased reserves to $387 million at the end of 1971. This, plus the fact that approximately 40 percent of the trade deficit was with bilateral trading partners, makes the problem manageable. Early 1972 data indicate the trade deficit will decrease somewhat this year, and controls on import credit may be eased.

U.S. trade promotion efforts in the Nordic area are centered in the Trade Center in Stockholm. The various shows each year attract a substantial number of visitors from Finland. In addition, a U.S. trade mission on instrumentation is scheduled to visit Finland during this fiscal year.

FINLAND'S CHIEF IMPORTS FROM U.S.: nonelectrical machinery, transportation equipment, electrical machinery, plastics, fruits and vegetables, instruments. FINLAND'S CHIEF EXPORTS TO U.S.: paper and paperboard, wood products excluding furniture, hides and skins, nonferrous metals, nonelectrical machinery, miscellaneous manufactures.

France

Continuing Economic Growth, Improvement In U.S. Price Competitiveness Seen Increasing U.S. Exports This Year

Continuing French economic growth and improved U.S. price competitiveness should contribute to a substantial increase in U.S. exports to France this year, according to John E. Hall of Commerce's Western Europe Division.

Economic expansion in France continue apace, with forecasts for real growth this year in excess of 5 percent (1971 rate 5.2 percent). While this falls short of the 6 percent annual growth target set in the current five-year national economic plan, it is nonetheless one of the highest growth rates in Western Europe. GNP for 1972 is forecast at $195.5 billion, up 10 percent over last year's. Inflation remains a problem, however, and unemployment is at high levels.

Demand is strong

Consumer demand is strong (increase of over 5 percent forecast for 1972); foreign demand is recovering from its slowdown of last winter and spring (French exports are expected to rise by 7 percent; and investment in plant and equipment is rising (annual rate of 5 percent is forecast this year). While the United States is not an important source of consumer goods for France, the sustained demand for capital goods and industrial supplies augurs well for U.S. export growth this year.

The realignment of currency exchange rates achieved at the end of 1971 had the effect of devaluing the dollar by 8.6 percent against the French franc and by 13.6 percent against the German mark (Germany is the principal competitor of the U.S. in France). As a result, U.S. exporters have gained a potential price advantage in France over both local and third-country suppliers. This should have a favorable, if modest, impact on U.S. exports to France this year, and a more substantial effect in 1973 and thereafter.

Another important element in the growth of U.S. exports to France in 1972 will be a scheduled increase in deliveries of large commercial aircraft, reaching more than $200 million—more than double the value of imports of such equipment from the United States in 1971.

The U.S. share of total French imports fell from 9.9 percent in 1970 to 8.5 percent last year due to declines in French purchases of iron and steel, nonferrous metals, and aircraft and parts. Substantial increases were recorded, however, in sales of U.S. nonelectrical power-generating machinery and office machines. The U.S. market share in 1972 should hold steady, with total French imports rising by about 17 percent in current terms to nearly $25 billion and imports from the United States increasing at the same rate to more than $2 billion.

The gloomy outlook of a few months ago among French businessmen is slowly being superseded by renewed optimism. Industrial production in the first quarter of this year was 7.3 percent higher than for the same period of 1971, and the outlook for production in coming months remains generally favorable.

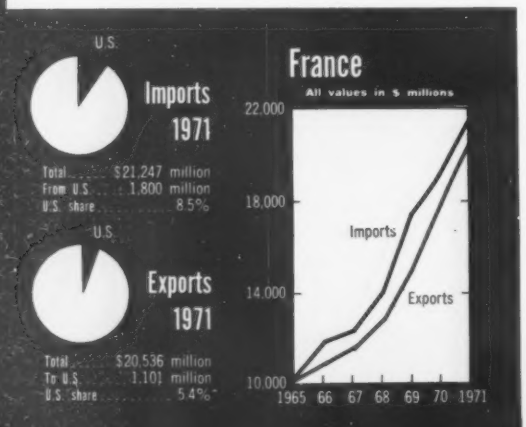
U.S. products for which the sales potential is particularly promising in France as a result of internal demand factors, improved price competitiveness, or a U.S. technological lead include chemicals, plastics, certain other raw materials, textile machinery, specialized agricultural machinery, industrial tapes, small computers, telecommunications equipment, instrumentation, electronic equipment for aircraft, pulp and paper, medical equipment, specialty steels, auto diagnostic equipment, power machinery and switchgear, materials handling equipment, industrial refrigeration and air conditioning equipment, fertilizers, machine tools, specialized building materials, and institutional food preparation and serving equipment. U.S. suppliers of goods and services should also be in a better position to bid on major construction projects in France following the exchange rate changes.

Forthcoming shows

The Commerce Department's Paris Trade Center holds about eight specialized one-week shows featuring technologically-advanced U.S. goods each year. Forthcoming Trade Center shows in Paris will feature the following product categories: printing and bookbinding equipment; metal finishing equipment; data communication equipment; and engineering components.

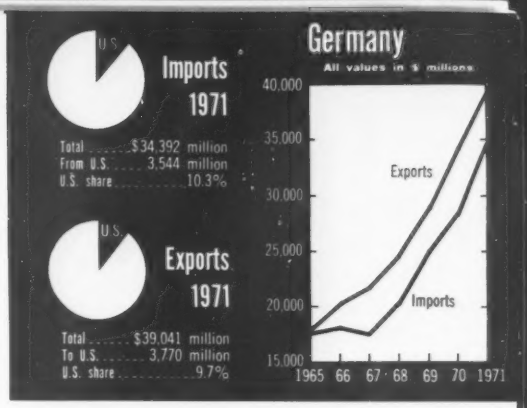
Between regularly-scheduled shows, the Trade Center's facilities will be available to individual U.S. firms or their agents, or to groups of firms, for product display, seminars and workshops. In addition, the Department of Commerce will participate in the Paris Air Show next spring.

FRANCE'S CHIEF IMPORTS FROM U.S.: machinery, chemicals, animal feedstuffs, aircraft, coal and coke, oilseeds. FRANCE'S CHIEF EXPORTS TO U.S.: iron and steel, machinery, beverages, chemicals, tires and tubes, motor vehicles.



Germany

U.S. Sales In First 6 Months Considerably Below 1971 Level, As Marked Economic Slowdown Depressed Import Demand



A marked economic slowdown over the past year has sharply depressed German import demand, particularly in the industrial sector, reports Maurice Kogon, Commerce's Germany Desk Officer.

In first-half 1972, only marginal import growth occurred. Imports from the United States, in fact, ran well below the corresponding 1971 level. For the remainder of 1972, however, the outlook for overall imports as well as for U.S. sales is more favorable. The economy has apparently already turned the corner, and another upward growth cycle now seems in prospect. In addition to this impetus on the demand side, U.S. sales should soon also be benefitting more fully from the 1971 currency realignments.

The import slowdown in the first half—about 3 percent overall growth compared with the 14 percent average annual import increases in 1968-1971—stemmed mainly from the sharp contraction in the pace of German industrial investment, production and demand that began in earnest in mid-1971. Prior to that, a sustained economic boom had brought major gains in real gross national product, personal incomes, production and foreign trade. It also intensified pressure on resources, however, inducing severe wage and price inflation by 1971, a squeeze on profits and, gradually, a leveling off of investment and production.

By mid-1971, the boom had clearly crested, and "stagflation" had set in. Real GNP growth in 1971 fell to 2.8 percent from the 6.9 percent annual average of the 1967-70 period, while consumer prices rose by nearly 6 percent (3.8 percent in 1970). In first half 1972, little or no real growth took place. Developments in the second quarter however, already suggest the beginning of a fresh upward movement. New orders to industry have picked up, as has actual production. Moreover, there has been a definite steadying of industrial investment levels, which had been sharply down since mid-1971. Germany's chief concern now is to stave off possible new inflationary pressures that may be brought on by the resurgence of economic activity.

Along with overall economic retrenchment over the past year, Germany's import sector had also slackened considerably. In 1971, German imports were already increasing at a slower rate (9.6 percent) than in 1970, (12.2 percent), reaching US$34.5 billion. During the first 4 months of 1972, compared with the same period in 1971, the total import gain was only 3 percent, valued at $12.8 billion.

Further off the pace

Germany's imports from the United States have fallen even further off the pace. Purchases of U.S. goods in 1971 rose by only 2.9 percent to $3.5 billion, compared with the sizable 17.4 percent growth in 1970. In the first 4 months of 1972, compared with the same period in 1971, imports from the United States actually declined, by 16 percent, to only $1.2 billion. German exports to the United States also fell during this period, but by only 2 percent to $1.3 billion, giving the United States a $91 million trade deficit with Germany compared with a U.S. surplus of $101 million through April of last year. In addition to the shift from a surplus to a deficit position on the trade account, the U.S. market share in Germany has also deteriorated. By year end 1971, it was 10.3 percent down from 11 percent in 1970. After the first four months of 1972, the U.S. share was only 9.5 percent. This compares with 11.7 percent at the same point last year.

GERMANY'S CHIEF IMPORTS FROM U.S.: aircraft, soybeans, office machines, chemicals, electrical machinery, power generating equipment, pulp and paper. GERMANY'S CHIEF EXPORTS TO U.S.: motor vehicles, steel, textiles, textile and leather machinery, chemicals, scientific and optical instruments.

The import depressant effects of the sluggish German economy have so far more than offset the stimulative impact of the currency realignments. Over the longer run, however, particularly as the economic pace quickens, a substantial import recovery should be possible. U.S. exports should especially benefit. Taking into account the German revaluation in 1969 and the more recent developments in late 1971, the United States has gained roughly a 20 percent price advantage over domestic German competitors in the market.

On balance, assuming stable U.S. prices, a wide range of U.S. products should benefit from the currency realignment, particularly such relatively price-sensitive goods as chemicals; pulp and paper products; construction materials and equipment; and materials handling, pumping, air conditioning and refrigeration, and measuring and testing equipment.

Greece

Imports From The U.S. Rose 23 Percent In 1971, And This Will Probably Be Another Good Year

Expanding needs for capital equipment could boost U.S. sales to Greece in 1972.

Prompted by increased emphasis on infrastructure development, a drive toward industrialization, and increasing need for agricultural commodities, total Greek imports should rise about 15 percent, predicts Mara Yachnin, Commerce's Desk Officer for Greece.

In 1971 Greek GNP grew by 7.6 percent in real terms; for 1972, Greek authorities foresee an 8 percent growth rate, which would maintain the 7.5 percent to 8 percent real growth achieved during the past three years and closely approximate the goal of the Five-Year Plan.

Major projects in the current development program include a new airport, subway system, highway construction, various power projects, and telecommunications improvements.

In 1971 Greece enjoyed relative price stability. Governmental control over price increases was the most important factor in the low inflation level and this authority has been extended through the first quarter of 1972. However, during January-March of this year, there have been significant increases in consumer prices for such items as bus fares and potatoes while a shortage of beef and veal has forced prices above official ceilings.

Greek imports from the United States rose 23 percent in 1971. Based on Greek figures, U.S. sales to Greece totaled $135.4 million, with machinery and transport equipment the most important category. The U.S. share of total Greek imports rose from 7.1 percent in 1970 to 7.8 percent in 1971.

Greece is an associate member of the European Economic Community. Under the terms of the Association Agreement, Greece is obligated over a 12-22 year period to eliminate its quantitative import restrictions and its import duties against the EEC as well as to adjust its customs duties to that of the EEC Common External Tariff. In November 1971, the latest reduction in tariffs occurred in the 12-year elimination category where tariffs have been reduced by 70 percent. All Greek tariffs applied against imports from the EEC are to be eliminated by 1984.

Import deposit system

Greece maintains an import deposit system whereby cash deposits ranging from 28-140 percent of the c.i.f. value must be posted with commercial banks at the time the import approval is obtained for payment of the goods, import duties and taxes.

Best prospects for U.S. exporters are in the areas of capital equipment, and goods and services associated with the tourist industry.

The revaluation of the currencies of major U.S. competitors has greatly enhanced U.S. sales prospects, and given the right prices and terms, U.S. equipment should be competitive in the following areas: telecommunications, irrigation, pollution and environmental control, shipbuilding, food processing, aircraft and air conditioning.

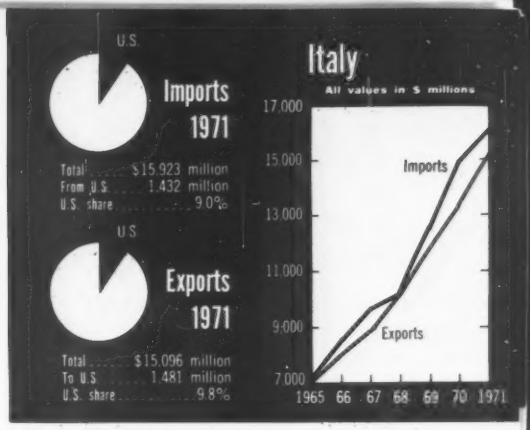
There are also numerous sales opportunities for American firms in the tourist industry (Greece's growth industry). By 1977 Greek authorities expect six million tourists bringing in one billion dollars in foreign exchange. American firms have already enjoyed considerable success in tourism and related sectors but given the continuing growth of the industry, there are excellent prospects for future sales of goods and services connected with tourism.

Balance of payments problems persist. Last year saw a further deterioration of the trade balance, but record invisible earnings. The sharp rise in invisible earnings led to some narrowing of the trade gap, so the current account deficit improved somewhat over 1970. Sizable capital inflows, mostly supplier credits and private deposits, prompted a rise in foreign exchange reserves. At the end of 1971, official gold and convertible foreign exchange reserves were at an alltime high of $503 million.

The Commerce Department will sponsor a catalogue show on agricultural equipment and machinery at the 1972 Thessaloniki International Trade Fair to be held Sept. 3-24, and is also planning a tourism trade mission for the fall of this year. Also in the planning stages are catalogue shows in the product areas of pollution and environmental control equipment, food processing and packaging machinery, medical and surgical supplies and construction equipment.

GREECE'S CHIEF IMPORTS FROM U.S.: ***machinery, appliances, machine parts, aircraft and parts, telecommunications equipment, unmilled corn or maize, power generating machinery excluding electrical parts, furskins.***
GREECE'S CHIEF EXPORTS TO U.S.: ***unmanufactured tobacco, crude minerals, footwear, iron or steel plates and sheets, inorganic chemicals, alcoholic beverages.***

Italy



Turnaround From Economic Slowdown Is Still Uncertain; Only Small Gain In Imports From U.S. Expected This Year

Italian imports from the United States are not likely to rise more than 3 to 4 percent this year, in view of continuing economic and political uncertainties.

The economy has not yet shown any significant indications of coming out of the worst recession since World War II, according to Richard P. Humbert, the Commerce Department's Desk Officer for Italy. Industrial production has not picked up, having registered only a 1.9 percent increase in April over that of a year ago. While some sectors show unusual strength (steel, autos, food), others are depressed (textiles, paper, furniture), and most are stagnant.

State of the economy

Commenting recently on the state of the economy, the Governor of the Bank of Italy noted that none of the components of private demand appears strong. Investments have fallen off because most firms, including the large state-controlled ones, are operating at a loss as a result of the profit squeeze and a low level of plant capacity utilization. Despite impressive wage gains, consumer demand, particularly for consumer durables, has been sluggish; on the other hand, the savings ratio has increased—signaling increasing concern regarding employment prospects.

The Government had announced late in 1971 that some $2.6 billion in public investments would be accelerated this year; however, there is as yet little evidence that these are picking up some of the slack in private demand. Wholesale prices rose 2.9 percent in the year ending in March, while the increase in the cost-of-living was held to 4.7 percent.

It is too early to discern whether the formation of a new government will introduce the political stability as a prerequisite for speedy economic improvement. In a July 4 speech before Parliament, Prime Minister Andreotti announced his Administration's economic program. In the short-term, the objective will be to revive the stagnant economy by speeding up investments already approved for the South, providing public financing for economic development and research projects, improving the credit system for small and medium industries, and mounting a major attack on pollution, together with social reforms in the housing and health fields. Longer-term goals include, in the construction sector, expansion in the building of hospitals, schools and roads and a $34 billion request to purchase land for low-rental housing. The Prime Minister confirmed the government's intention to proceed with the tax reform, including implementation of the value-added tax (TVA) on Jan. 1, 1973.

Visible progress in implementing these measures is essential. Meanwhile, labor remains the leading factor affecting the economy's revival as the period of national labor contract renewals draws near.

No significant increase over 1971, when the GNP rose only 1.4 percent (real terms) to $100.7 billion, is currently anticipated; per capital income reached $1,830. The most optimistic forecast recently made by the EEC Commission is that GNP will rise about 3 percent.

Despite the poor growth record last year, the foreign trade sector recorded healthy increases: 7 percent for imports, to nearly $16 billion; 14 percent for exports, to $15.1 billion. Italy's imports from United States fell 6.9 percent to $1,437 million, accounting for 9 percent of the market (10.3 percent in 1970), while its exports to the United States rose 9.6 percent last year to $1,484 million, accounting for 9.8 percent of the total (10.3 percent in 1970). The balance of payments registered a $780 million surplus, and reserves of gold and foreign exchange remain high—about $6.5 billion in March.

Sales prospects

By year's end U.S. exporters should begin to benefit from the 7 percent reduction in dollar costs to Italian importers. Products which appear to offer good long-range sales prospects are: plastics, chemicals, pumps and compressors, anti-pollution and medical equipment, computer output microfilm systems, and scientific-technical instruments such as process controls (for petrochemicals), electronic measuring systems, and high vacuum cryogenic equipment.

The Department of Commerce will stage an exhibit—PLAST—in October at Milan, featuring plastics production equipment. Exhibits at the Milan Trade Center through the end of the year will feature hybrid micro-electronics, metal testing equipment and supplies, and pollution control and water resources equipment.

ITALY'S CHIEF IMPORTS FROM U.S.: machinery, aircraft, cereals, soybeans, coal, metals. ITALY'S CHIEF EXPORTS TO U.S.: footwear, machinery, automobiles, clothing, iron and steel, petroleum products.

Netherlands

Economy Faces Serious Wage and Price Inflation; Demand For Imports Hinges On Disinflationary Policy

The Netherlands economy is still facing serious wage and price inflation. The extent to which demand for imports will increase hinges importantly on the effects of the government's disinflationary policy, comments Raymond Lombardi, the Commerce Department's Desk Officer for the Netherlands.

In 1971, Netherlands exports, in addition to the burden of increased wage costs, became somewhat less competitive as a result of the upward float and revaluation of the guilder. The modest rise in exports, combined with a further increase in imports, was insufficient to eliminate the overall trade deficit but did produce the first favorable balance with the EEC ever recorded. Further improvement in the trade balance in 1972 is expected but could be jeopardized by a sharp upswing in production that would require additional imports.

In 1971, GNP in real terms grew 4.6 percent. This year's growth rate will be lower, probably in the range of 2-3 percent.

Unemployment rose throughout most of 1971 to the same high level of 2.3 percent of the work force that prevailed during the 1966-67 recession. It is considerably higher in the northern part of the country. Selective countermeasures are being used to combat the situation. Policy officials are banking on a revival of economic activity abroad, especially in Germany, to provide stimulus to the economy.

Revaluation of the guilder will make U. S. goods more competitive with domestic goods. Moreover, in facing the important German competition in the Netherlands, the slightly higher revaluation of the German mark gives an added advantage to U.S. suppliers.

Short-term prospects for U.S. exports to the Netherlands are dominated by the general Dutch slowdown, which has affected the external sector more strongly than was expected. The Netherlands' Central Planning Bureau's latest projections show the value of Netherlands imports increasing by only 3 percent in 1972 compared to 10 percent in 1971 and 22 percent in 1970. This will hurt imports of investment goods and sophisticated equipment used by educational, scientific and medical institutions, all of which face tight, if temporary, budgetary restraints.

U.S. should do better

While U.S. exports to the Netherlands will be affected by this tightening, we should do somewhat better than competitors since U.S. prices have become more attractive after the December 1971 Smithsonian agreements. A survey conducted in the Netherlands shows that Dutch importers have cut prices on American products by 3 to 7 percent, while competitors' prices have continued to rise. Therefore, although the Dutch pie will shrink in 1972, American suppliers should be able to cut themselves a bigger percentage slice.

The U. S. share of the Netherlands market rose to 10.1 percent in 1971, up from 9.8 percent in 1970. Given new potential U. S. competitiveness, a further, if gradual, increase in the U. S. market share can be anticipated.

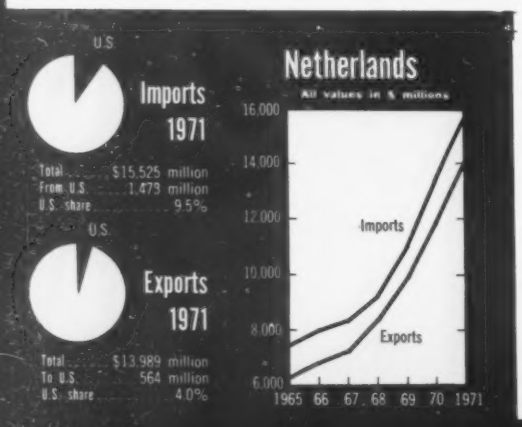
The Netherlands remains one of the world's most convinced free trade nations. There are no significant non-tariff barriers and the import licensing required on a few goods is automatic in practice.

The following areas offer the greatest potentials for U.S. goods: EDP equipment, especially peripherals and software; food processing and packaging equipment; printing and graphics equipment; environmental control equipment; general industrial instrumentation; petroleum and gas drilling and transportation material; machinery and raw materials for the chemical and metallurgical industries; marine cargo handling equipment; air, rail, road and marine transportation equipment for bulk chemicals; and building equipment and supplies.

Two specialized trade missions are being organized by the Department of Commerce to visit the Netherlands in 1972 and 1973. These missions will concentrate on two sectors which hold out great promise for U. S. exports: instrumentation (November 72) and printing and graphics equipment (April 73).

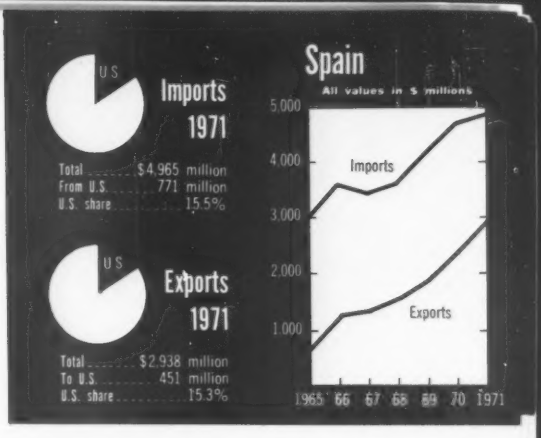
The Netherlands continues to welcome foreign, and particularly American, investment. A proposal to levy a selective tax on new investment in the crowded, pollution-threatened West is an attempt to spread domestic and foreign investment more evenly around the country. U. S. investment in the Netherlands was over $1.5 billion in 1971 and Dutch investment in the United States was $2.3 billion.

NETHERLANDS' CHIEF IMPORTS FROM U.S.: aircraft and parts, oilseeds, animal feed, corn, nonelectrical machinery, organic chemical products. NETHERLANDS' CHIEF EXPORTS TO U.S.: canned meats, iron and steel shapes and ingots, electrical machinery, ships and boats, petroleum products, office machines.



Spain

Rapid Economic Growth Is Expected To Continue; Imports From U.S. Are Up Substantially This Year



Many U.S. firms will find an excellent market in Spain for their goods and services. Total imports are expected to increase by at least 16 to 18 percent this year over 1971, and projections for the next four years call for an average annual increase of 14.5 percent. Imports from the United States in 1972 are expected to rise substantially, and during the first four months of the year were up by about 21 percent over the similar period last year, according to W. O. Sugg, Commerce's Desk Officer for Spain.

Economy revives

According to Spanish figures, imports from the United States amounted to $771 million in 1971, down from $896 million the previous year. The U.S. share of total imports also declined to 15.5 percent, as compared with 18.9 percent in 1970. However, the decline was largely due to a marked slowdown in the domestic economy, which was reflected in an abnormally small increase in overall imports. Moreover, the slowdown particularly affected capital goods, which constitute an important part of U.S. sales to Spain.

A revival of industrial activity and investment is now under way which should result in a significant increase in overall imports and in imports of machinery and transport equipment, in which the United States should share. During the first quarter of 1972, industrial production was up 17 percent over the corresponding months of last year, and the order backlog is at its highest point since the slowdown began in mid-1970.

In recent years Spain has achieved one of the highest rates of economic growth of any of the countries of Western Europe, with real annual increases in GNP averaging 6.4 percent, and this rapid growth is expected to continue. In 1971 GNP reached $39.4 billion, with growth below norm; the increase this year should come close to the recent average.

During the general realignment of currencies carried out last December, the Spanish peseta retained its parity with gold, with a resulting depreciation of the dollar of 8.57 percent. The devaluation will enhance the ability of U.S. producers to compete for Spain's import market against other foreign firms, particularly in capital goods in which U.S. firms encounter stiff competition. Goods in this category include combustion, heavy electrical, agricultural, heavy construction, and mining equipment.

Particularly favorable

In addition to the products previously mentioned, sales opportunities are particularly favorable for electric power generating machinery, as power generation is expected to triple in the next 10 years with a rapid increase in nuclear power generation. Also, the construction of a $2.1 billion integrated steel mill on the Mediterranean coast should offer sales of steel mill equipment.

The price advantage accruing to U.S. producers by the devaluation will be offset to some extent by the tariff preferences being accorded by Spain to the EEC under the Spain-EEC Preferential Trade Agreement. The tariff reduction will amount to 25 percent on most products but will reach 60 percent on some items and will be phased in over a period of six years. For its part the EEC will reduce its duty rates on most Spanish industrial products by 60 percent by 1973.

SPAIN'S CHIEF IMPORTS FROM U.S.: soybeans, coal, aircraft and parts, organic chemicals, iron and steel scrap, telecommunications equipment. SPAIN'S CHIEF EXPORTS TO U.S.: footwear, olives, wine, clothing, iron and steel sheets, rubber tires and tubes.

Import growth is not expected to be inhibited by balance of payments problems in the near future. Since 1969 Spain has enjoyed a balance of payments surplus and international monetary reserves have risen from $833 million at that time to a record high of $3.5 billion as of March 1972, the latest month for which figures on monetary reserves are available.

Problem for policymakers

Inflation, however, may pose a problem for economic policymakers. Last year the cost of living rose by 9.7 percent, the highest increase since 1964, and wages were up by about 13-14 percent. For 1972 a price rise in the range of 6 to 8.5 percent is predicted for the economy.

U.S. Department of Commerce export promotion projects being planned in Spain over the next year include catalog shows at Madrid in November on office equipment. and at Bilbao in March 1973 on electronic production and test equipment. Trade missions are also scheduled in the following equipment categories: metalworking, printing, surgical and medical, and refrigeration and air conditioning.

Sweden

Improved Economic Picture Points To Growth In U.S. Sales; Prospects In Advanced Machinery, Quality Consumer Goods

SWEDEN'S CHIEF IMPORTS FROM U.S.: nonelectrical machinery, miscellaneous manufactures, chemicals, aircraft, foods, industrial raw materials. SWEDEN'S CHIEF EXPORTS TO U.S.: automobiles, nonelectrical machinery, specialty steels, electrical machinery, chemicals, instruments.

The Swedish recession which started in 1970 appears to have passed its low point. A gradual recovery is expected during the next several months. The rate of the recovery will depend largely on external demand for Swedish exports in Europe and the United States.

The improved economic picture in Sweden should bring a moderate increase in U.S. sales this year, Harold A. McNitt, the Department of Commerce's Sweden Desk Officer, points out. The sophisticated Swedish market will offer significant opportunities for U.S. exporters to expand the sale of advanced machinery and other quality consumer articles.

Sweden's gross national product approximated $36 billion in 1971, a real growth of only 0.3 percent. This year a real advance of 3.5 percent is forecast. Industrial production will continue to lag, rising only 2.5 percent. The outlook for private business investment is healthier, however, and a 10 percent increase is anticipated. Central Government investment outlays will also increase.

Uncertainty is a key element in the Swedish business picture today. Sweden's eventual relationship to the European Economic Community is a principal topic of interest because of its significance for the economic future. Rejecting full membership on neutrality grounds, Sweden currently is negotiating with the Community for a preferential trade agreement which would establish free trade for most industrial products. The negotiators hope to conclude the agreement later this year. Important questions remain, however, concerning the treatment that will be accorded certain key Swedish exports to the EEC, including paper products and steel.

Improved U.S. position

The outlook for U.S. exports to Sweden has been brightened by the December 1971 exchange rate realignment. It improved the competitive position of many U.S. products, especially those sold directly to end-users. The Swedish krona appreciated by 7.5 percent relative to the dollar.

U.S. sales in Sweden totaled $566 million last year, a decline of 7 percent from the record 1970 level. The U.S. share of the market dropped from 8.7 percent to 8 percent—due partly to an overall slackening of import demand. U.S. commercial aircraft and metal scrap shipments fell sharply. However, Swedish imports of non-electric machinery—the largest U.S. sales category—increased by 20 percent, indicating continued long-term strength of the market for U.S. equipment.

Sweden, a technologically-oriented society, is a natural market for advanced equipment. The Swedish engineering industry (automobiles, aircraft, industrial machinery, ships) is one of the most expansive. According to a Government survey, that industry will be a leading investor in new machinery during the coming months. The steel and shipping industries also are planning to expand and modernize operations. Sweden, with the world's second highest per capita GNP, is a prime market for quality consumer articles. The 40-hour work week became standard in most industries this year, symbolizing the expansion of leisure-time interests and needs.

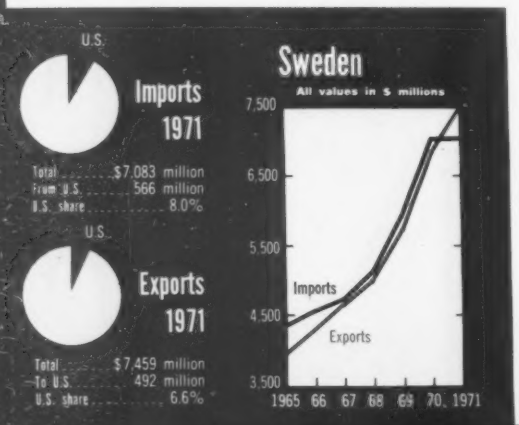
The U.S. Trade Center in Stockholm is the keystone of the U.S. export promotion program in Sweden. Several major shows are scheduled for 1972-73, including EDP equipment in September, metal parts production equipment in November, environmental pollution control in December, followed by electronic components in January.

The Center also will host numerous "between show promotions" by individual companies, window displays by U.S. firms or their representatives, and business meetings. A trade mission featuring food processing and packaging equipment is tentatively scheduled for November.

Favorable balance

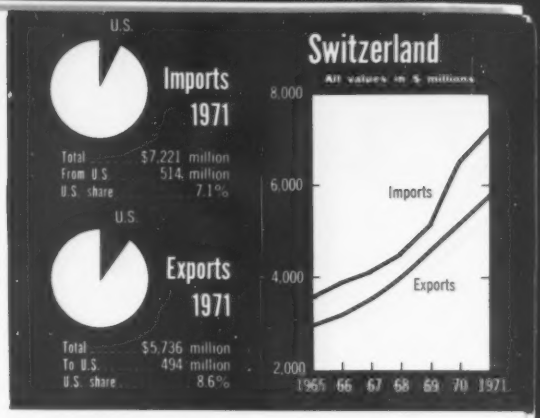
The Swedish Government predicts that Sweden will again have a favorable trade balance this year, although the excess of exports over imports will be less than in 1971. Exports will increase by about 5 percent this year while imports will go up by 6 percent. The growth of imports will reflect increasing consumer demand as well as purchases of new machinery and equipment by the business sector.

Swedish taxpayers look forward to slightly reduced income taxes in 1973. However, the employers' payroll tax and some excises will increase.



Switzerland

Import Demand Likely To Continue Strong, Despite Slackening In Economy Last Year; Opportunities In Capital Equipment



Swiss demand for imports will continue strong throughout 1972 despite the mild slackening in the economy which occurred in 1971 and is expected to continue in 1972. However, indications are that the economy will experience an upswing by early 1973.

The still very tight labor market will induce Swiss industries to continue to invest in high-technology, labor-saving equipment, providing continuing opportunities for the export of American capital equipment, according to Carol Warlick of the Commerce Department's Western Europe Division. Furthermore, increases in consumer expenditures are expected to stimulate imports of consumer goods.

Despite the slowdown in the Swiss expansion, pressure on resources continues to be strong. Gross National Product grew 13.2 percent from $23 billion in 1970 (3.84 Swiss francs=U.S.$1) to $26 billion in 1971; the real growth rate of GNP was 4.5 percent in 1971. While industrial output rose more slowly than in 1970 with almost all industrial sectors displaying weaker growth rates, higher production increases are in prospect. The wage level for 1971 grew by approximately 10 percent; a similar increase is expected in 1972. The consumer price index rose 6.6 percent in 1971 and has been rising at a similar pace in 1972. Indications are that GNP will rise at a rate of about 10 percent this year, with real growth around 4 percent.

The two 1971 upvaluations of the Swiss franc against the dollar, which totaled 13.9 percent, are bound to increase imports and to that extent ease inflationary pressures. In addition, the National Bank has strengthened earlier measures to slow credit expansion.

Since April 1972 minimum reserves on domestic liabilities and tighter reserve requirements on increases in foreign liabilities have been in effect for most commercial banks. In addition the Government intends to extend its legislative authority over economic policy in order to contain inflation more effectively.

The severe labor shortage will be unalleviated, in part as a result of the Government's refined and tightened restrictions on foreign labor in 1971.

Trade levels climbed in 1971, although there was a dampening in external demand. Total exports reached $5,730 million, up 11 percent; total imports rose to $7,142 million, up 10 percent. The 1971 trade deficit was offset by income from investments, tourism and other invisibles.

Trade with U.S.

Swiss exports to the United States grew by 4 percent to $486 million, while Swiss imports from the United States dropped 8 percent to $509 million. The U.S. share of the import market was 7.2 percent, and the United States bought 8.5 percent of Swiss exports. The principal suppliers to Switzerland in order were West Germany, France, Italy, the U.K. and the U.S.

The decrease in Swiss imports from the United States, which had risen by 23 percent in 1970, was due in part to U.S. dock strikes which hurt U.S. commodity exports. American exports to Switzerland in 1972 should recoup their market share decline, with advances in exports of capital goods and consumer products.

Prospects continue bright for sales of U.S. food packaging and processing machinery, materials handling equipment, electronic components and data processing equipment, business machines, automatic transfer equipment, and technical measuring and analyzing instruments. Heightened Swiss concern with pollution will stimulate purchases of equipment for treating waste and for water purification. The consumer items most desired are those of a leisure time nature such as do-it-yourself and hardware items, and outdoor items, toiletries and men's and women's apparel. Other than the direct product sales, opportunities continue for cross licensing arrangements with Swiss firms and licensing for direct production in the United States.

Besides an increase in U.S. exports to Switzerland, Swiss direct and portfolio investment in the United States will be advantageous to the U.S. balance of payments.

The United States will participate in NUCLEX, the International Nuclear Industries Fair, in Basel, Oct. 16 to 21. In 1969, 51 U.S. firms exhibited a wide range of products, recording projected sales of some $23 million. This year the goal for the official exhibit sponsored by the Department of Commerce is 60 U.S. firms.

SWITZERLAND'S CHIEF IMPORTS FROM U.S.: aircraft, organic chemicals, jewelry, electron tubes, radioactive elements and compounds, tobacco. SWITZERLAND'S CHIEF EXPORTS TO U.S.: watches, textile machinery, synthetic dyestuffs, works of art and antiques, organic chemicals, steam engines and turbines.

United Kingdom

U.S. Exports Are Seen Declining Unless Manufacturing Investment In U.K. Picks Up From Its Sluggish Level

U.S. exports to the United Kingdom in 1972 may actually decrease in value compared with last year's unless manufacturing investment in the U.K. picks up from its continuing sluggish level. Export opportunities for U.S. goods continue, but the bulk of U.S. shipments have traditionally been in investment goods, while growth in the U.K. recently has been noteworthy primarily in increases in personal consumption, Paul Norloff, Commerce's United Kingdom Desk Officer reports.

A continuing high rate of unemployment, large wage increases and steadily rising prices for both domestic and export goods have held back both an expected substantial spurt in new private investment and an anticipated jump in economic growth. The expectations, at the beginning of this year, that the economy would grow in 1972 by more than 5 percent are being scaled down by both official and private observers to just over 3 percent.

Although the Government was moderately successful in 1971 in mitigating increases in both prices and wages, the record in 1972 has not been so successful as large groups of workers—miners and railwaymen—have received wage hikes far in excess of the Government-set limit of 8 percent. The outlook for exports, earlier expected to grow by over 4 percent, has been scaled down to 1.5 percent, in large measure owing to a continuing upswing in export prices, while the growth of imports is still seen as substantial —over 8 percent. Whether this outlook will be altered by the floating of the pound sterling on June 23 will depend heavily on implementation of an effective incomes policy by voluntary industry-labor cooperation or by Government decree.

The Government has indicated that it is opposed to the introduction of a wage-price freeze as a means of combating inflation, claiming that such action had failed in the past and had even contributed to present difficulties.

The balance-of-payments surplus at the end of 1971, over $1.4 million, is expected currently to be halved by the end of 1972 as exports shrink and imports continue at a high level.

U.K. imports during 1971 reached almost 23.6 billion, an increase of about 8.6 percent over 1970. Major increases in British imports occurred in such product categories as transport equipment (mainly aircraft), which rose 51 percent to $1,085 million; electrical machinery and appliances, 10 percent to $900 million; professional and scientific equipment, 17 percent to $398 million; clothing, 38 percent to $427 million and textile yarns and fabrics, 27 percent to $780 million.

British imports of U.S. products in 1971 decreased almost 7 percent, to $2,628 million. The primary reason for the decrease is the substantial slack in U.K. private manufacturing investment. The U.S. share of the British import market decreased to 11.1 percent in 1971 from 13 percent in 1970.

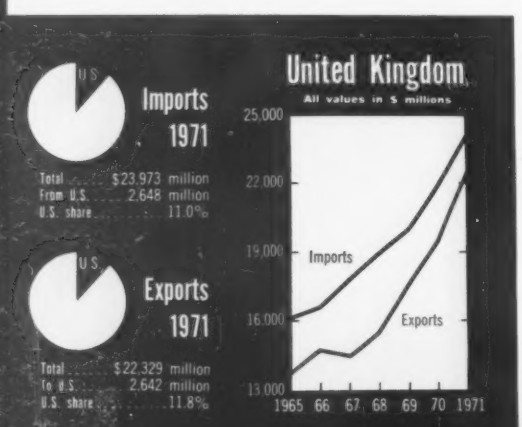
Most product categories in which the United States had shown a strong performance in past years indicated a sharp deterioration in 1971. In addition to significant declines in basic industrial materials, including chemicals, there were sharp declines in non-electrical machinery, down 12 percent to $590 million, and electrical machinery and apparatus, down 17 percent to $216 million. Increases took place in professional and scientific equipment, up 7 percent to $118 million; coal, up from $163,000 to $46.9 million (the embargo on coal imports was lifted in December 1970); and foodstuffs, up 12 percent to $324 million.

Good sales prospects

As British investment picks up during the current year, U.K. demand for U.S. products should increase significantly. Categories offering good sales potential for U.S. exports cover a wide spectrum—including technologically advanced equipment in the areas of precision machine tools, industrial process controls, electronic instruments and components, computer peripheral equipment and components, and equipment for materials management.

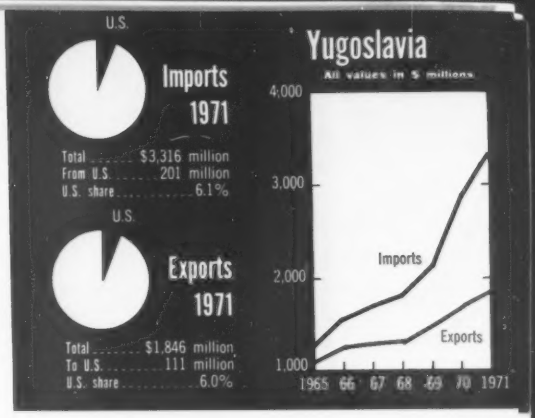
Forthcoming exhibits scheduled for the U.S. Trade Center in London include materials for the electonic industry, Sept. 18-22, and electro-optics, Nov. 13-17—as well as an off-site exhibit, Computer '72, in December.

UNITED KINGDOM'S CHIEF IMPORTS FROM U.S.: cereals, tobacco, textile fibers, chemicals, machinery, transport equipment, scientific instruments, nonferrous metals. UNITED KINGDOM'S CHIEF EXPORTS TO U.S.: scotch whisky, textiles, iron and steel products, machinery and transport equipment, chemicals, professional and scientific instruments.



Yugoslavia

Consumption, Industry, Investment Spurred 1971 Advance; Capital Goods Needed To Continue Industrial Modernization



Yugoslavia's Gross National Product in 1971 increased to $14.2 billion, a real growth of 9 percent, according to Commerce's Yugoslavia Desk Officer, Donald Crafts. Pressures on resources led to a rise of 15 percent in wholesale prices. Private consumption (up 8 percent), industrial production (up 11 percent), and investment (up 8 percent) contributed to the advance in the economy. Agricultural production rose 8 percent. The largest rates of growth were achieved in construction (up 19 percent), trade (up 12 percent) and tourism (up 14 percent). The Yugoslav Government expects to restrain expansion in 1972 by holding down the increase in GNP to 5 percent, import growth to 6 percent, and price rises to 5 percent.

Yugoslav industry requires large imports of capital goods to continue industrial modernization in line with the country's policy objective of integrating its economy more closely with that of the world economy. In this regard, the Government recently announced tariff reductions on over 1,000 products —imports of equipment for the electrical and metal working industries will benefit. Continued demand pressures and rapid increases in production will also result in a buoyant import market.

The 1971 deficit of $1.4 billion in Yugoslavia's trade account was largely offset by earnings of $1.1 billion from tourism, transportation, and workers remittances. Thanks to the vigorous braking measures initiated by the Government the balance-of-payments situation has recently improved. Yugoslavia's foreign exchange reserves have more than doubled since the turn of the year. The balance of payments situation should continue to improve in 1972. Approximate balance on current account is foreseen for this year.

U.S. exports grew by 23 percent in 1971 reaching $197 million and accounting for 6.1 percent (5.6 percent in 1970) of the Yugoslav import market. The high technology component of U.S. exports meshes well with Yugoslavia's endeavor to modernize; and the price edge of U.S. exports stemming from the 1971 exchange rate changes should mean a still higher U.S. market share in 1972.

Plan projections

The current five-year plan (1971-75) projects a growth in GNP of 7.5 percent a year with proportionately greater growth in investment. Exports are projected to grow at a faster pace than imports resulting in a gradual improvement in the trade balance. In general, industrial development will continue to be export oriented and capital intensive, with emphasis on investment in basic industries (chemicals, non-ferrous metals and steel), infrastructure development and expansion of tourist facilities.

U.S. exporters will find good opportunities for sales of equipment for tourism, mining, construction, food processing, and woodworking; industrial processing instruments and controls; and electronics. Large investment in power production and distribution will provide a receptive market for thermal and hydroelectric power generating equipment. Expansion of chemical production, pipeline construction, modernization of telecommunications, and irrigation projects indicate goods sales potential in those areas.

YUGOSLAVIA'S CHIEF IMPORTS FROM U.S.: agricultural commodities, aircraft, construction and mining machinery, telecommunications equipment, measuring and control equipment, coal. YUGOSLAVIA'S CHIEF EXPORTS TO U.S.: furniture, tobacco, meat, copper, clothing, shoes.

Yugoslavia is looking to the United States too for technical services, management capability and planning expertise. The outlook is particularly favorable for management consulting for large enterprises. In addition, U.S. exporters can look for a good market in meeting third country requirements of Yugoslav construction and engineering firms which have had great success in landing large contracts in the Middle East, Africa and South America.

The balance of payments will continue to be a constraint as rapid development generates high imports demanding a marshalling of foreign exchange resources. Therefore, U.S. sales may be determined largely by the ability of U.S. companies to offer attractive financial and credit terms.

Yugoslavia places great importance on attracting U.S. and other foreign capital to participate in joint ventures with Yugoslav enterprises. The government has recently liberalized its joint investment regulations with a view to encouraging foreign investment. In addition, recent U.S. legislation now permits the U.S. Government to issue insurance for U.S. investment in Yugoslavia, providing another incentive to investors.

Focus In East Europe Is On Talks

Secretary Peterson Heads Delegation To Moscow, Warsaw; Trade Expansion Is Aim

President Nixon's trips to Peking in February and to Moscow and Warsaw in June were recent dramatic evidence of generally improved relations between the United States and Communist countries. The latter journey resulted in plans to form a Joint Commercial Commission to negotiate a trading agreement with the USSR and a decision to discuss forming a similar commission with the Poles.

The first Commission meeting was scheduled to open on July 20 in Moscow. Talks in Warsaw are to begin Aug. 1. The American delegation is headed by Secretary of Commerce Peter G. Peterson.

U.S. exports to Eastern Europe are likely to register sizable gains this year as shipments to the USSR double last year's total and the sessions in Moscow and Warsaw aim now at further trade expansion.

Ralph S. Edwards, of the Commerce Department's Eastern Europe Division, estimates that, based on January-May trade figures, an increase of more than $200 million over the 1971 level to a 1972 total of $600 million in U.S. exports can be expected. U.S. imports from the area will probably rise by a lesser degree (15 to 20 percent) and should total about $265 million in 1972. These assessments were made prior to the July 8 announcement by President Nixon of major new U.S. grain sales to the Soviet Union.

This continued expansion of U. S. trade with Eastern Europe is the result of heightened business interest and activities in the area as well as Government policies.

Earlier this month Secretary of State Rogers made a trip to Eastern Europe which included talks in Romania and Hungary. While in Romania he signed a consular convention and liberalized the regulations for Romanian ships calling on U.S. ports. In Hungary Secretary Rogers agreed with the Government to start talks on settling post-World War II American claims.

Trade expansion steps

Also among the specific steps which the U.S. Government has taken to facilitate expanded trade with Eastern Europe and Mainland China has been liberalization of export control regulations and streamlining of procedures. On Feb. 14 the President expanded permissible trade with the People's Republic of China by placing the country in the same export control category as the Soviet Union and most other East European countries.

Since passage of the Export Administration Act of 1969, in which Congress established a positive policy of encouraging trade with Communist countries consistent with our national security, the Department of Commerce has decontrolled more than 1,700 commodities.

A combination of Congressional and Administration initiatives last fall made Export-Import Bank financing possible in Eastern Europe. The Export Expansion Finance Act of 1971 gave the President authority to extend Eximbank credits to countries in the area if he determines this to be in the national interest. In December the President made such a determination to permit the extension of Export-Import Bank credit guarantees and FCIA (Foreign Credit Insurance Association) insurance to Romania.

The Foreign Assistance Act of 1971, passed last January, included an amendment authorizing Overseas Private Investment Corporation programs in Romania and Yugoslavia if the President determines it to be in the national interest. In March the President made this determination and now OPIC's loan guaranty and investment insurance programs will be available.

The East European countries have likewise demonstrated their willingness to normalize commercial relations and expand trade with the United States. Hungary and Romania now have laws allowing foreign investment. Czechoslovakia has recently concluded several agreements for licensing of U.S. chemical technology. The Czechs also will probably continue to import U.S. corn and soybeans.

Promotional activities

The Commerce Department plans to facilitate the expansion of trade with a stepped-up export promotion program throughout Eastern Europe. This fall Commerce will sponsor participation of U.S. scientific and testing instrumentation firms at the Brno and Bucharest International Trade Fairs. A catalog show on U.S. pollution control equipment will be a feature of the Plovdiv Fair in late September. The new East-West Trade Information Service of the American Embassy in Vienna is serving as a business contact point and clearinghouse of useful trading information. At least three trade missions to Eastern Europe are planned for the next six months, among them two missions organized by groups in Illinois and Alabama with Commerce help, scheduled to go in September to destinations including Czechoslovakia, Hungary, and Romania.

U.S. Trade With Eastern Europe

	Exports, including re-exports		General imports	
	1970	1971	1970	1971
	Million dollars		Million dollars	
Total	353.6	384.0	226.5	228.5
USSR	118.7	161.7	72.3	52.6
Other Eastern Europe	234.9	222.2	153.5	165.8
Bulgaria	15.1	4.8	2.4	2.6
Czechoslovakia	22.5	28.7	23.5	29.6
East Germany	32.5	29.4	9.4	10.1
Hungary	28.1	27.9	8.2	7.8
Poland	69.9	73.3	97.9	107.2
Romania	66.8	52.5	13.4	13.8

Source: U.S. Bureau of the Census

China

Trade Relations With U.S. Established; Imports, Exports Exchanged; PRC Interest In Some Industrial Goods Seen

After more than 20 embargo years, the People's Republic of China (PRC) and the United States are engaging in direct trade.

In response to an agreement reached during President Nixon's February visit, to facilitate the progressive development of mutually beneficial trade, China invited 40 to 45 American businessmen to the semi-annual Chinese Export Commodities (Canton) Fair—for the first time since its inception in 1957. American participation at the fair resulted in an estimated $6 million in U.S. purchases of Chinese goods, reports George Driscoll, Commerce's PRC Desk Officer. Thus far in 1972, the United States has exported about $3 million worth of telecommunications equipment to the PRC. Given the nascent stage of overall U.S. relations, a gradual expansion in trade is expected as political relations improve.

Potential for U.S. exports

China is likely to continue its policy of avoiding medium and long-term financial obligations and its volume of exports, currently growing at an average rate of 10 percent, will continue to determine the volume of imports. Additional factors significantly limiting the potential for U.S. exports to the PRC for the immediate future are the ability of other Western countries to satisfy most of China's desire for technologically-advanced goods at competitive prices, and China's penchant for favoring established customers.

On the other hand China probably will welcome the United States as an additional source of supply and want to purchase certain types of U.S. industrial goods embodying advanced technology unavailable elsewhere, such as jet aircraft and telecommunications equipment. Also there are a number of other products in which the United States may compete successfully, such as wheat, hydroelectric power generators and diesel engines. Despite notable examples to the contrary, Chinese purchases are generally based on strictly economic considerations.

The Chinese appear principally concerned with imports in the following product areas: agricultural machinery, complete plants (especially for producing chemicals), machinery and equipment for the steel, mining, transport, construction and petroleum industries, as well as industrial raw materials.

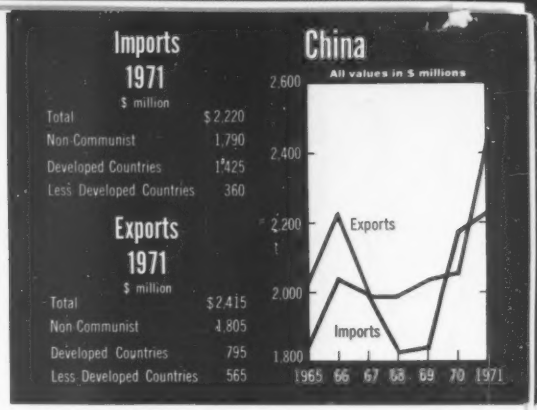
Industrialization emphasized

China's strategy for industrialization emphasizes modernizing agriculture and those manufacturing sectors most directly related to processing agricultural raw materials. Investment is otherwise directed mainly toward consolidating and strengthening its present industrial position and developing its scientific and technical resources.

During the past 20 years China's economy has grown at an estimated 4 percent annually, doubling the level of GNP and achieving a strong economic base for launching its fourth Five-Year Plan in 1971.

PRC foreign trade rose 10 percent in 1970 to $4.2 billion, and non-Communist countries again accounted for about 80 percent ($3.3 billion) of that total. Two-way trade in 1971 was about $4.6 billion. Trade between the free world and the PRC tends to be concentrated in relatively few commodities and exchanged with a limited number of trading partners. The largest free-world exports to China are steel, chemicals, and wheat, while free-world imports from China center on food, selected crude materials, and textiles.

CHINA'S CHIEF IMPORTS FROM FREE WORLD: iron and steel products, wheat, fertilizers, nonferrous metals, textile fibers, crude rubber. CHINA'S CHIEF EXPORTS TO FREE WORLD: textile yarn and fabric, meat and fish products, fruits and vegetables, textile fibers, crude animal materials, grain.



Free-world exports to the PRC totaled an estimated $1.6 billion in 1970. Twenty percent of the export total was steel, largely tubes, pipes, universals, sheets, and plates. Wheat sales amounted to $256 million. Urea and various other organics, along with manufactured fertilizers, were the most prominent among chemical shipments, and crude rubber and cotton among raw materials. Copper, trucks, and machine tools were also among the principal free-world commodities exported to China.

The free world imported $1.7 billion worth of PRC goods in 1970. Food acounted for about 30 percent of these imports. About half, including fruit, vegetables, rice, live animals, meat, and fish, were supplies for consumption in Hong Kong. Textile manufactures exported by the PRC (mostly cotton fabrics, yarns, and clothing) were roughly 20 percent of the total. Silk was most prominent among imports of textile fibers, and soybeans most prominent among other crude materials.

Poland

Role Of Foreign Trade Increases, Industrial Modernization Stressed; Equipment, Consumer Goods Import Growth Seen

U.S. exports to Poland in 1972 are likely to reach $85 million, as compared with more than $73 million last year.

This projection is based on Poland's current import policy which aims at expanding purchases of investment goods from abroad. The country's interest in obtaining a considerable part of such goods from the United States is notable, according to Leon Lewins, the Department of Commerce's Desk Officer for Poland.

Better supply of goods

In addition, the present regime, under Party First Secretary Edward Gierek, is concerned with maintaining a better supply of goods in the domestic market. Imports of foods and other consumer goods are expected to help meet popular needs. This development is reflected partly in U.S. total shipments to Poland during the first four months of this year which amounted to $32.7 million, compared with $26.3 million of U.S. sales to that country in the same period last year.

The approved draft of the current economic plan (1971-75) envisages a 40 percent growth in national income, as compared to a 33 percent increase during 1966-70. This is said to allow for a 57 percent growth of Poland's foreign trade during the plan period. Imports are expected to increase by 59 percent and exports by 55 percent. The growing role of foreign trade is linked by Polish planners to a wider use of foreign credits for the purchase of machinery, equipment, technology and licenses to accelerate the pace of industrial modernization and economic development.

The current emphasis on rapid economic progress and improvement in living conditions is also expected to accelerate the investment process. Faster development of industrial production is being scheduled. Investments during the current plan period are to grow by 45 percent over those during the 1966-70 period. The supply of raw and other materials, intermediate products, and spare parts is expected to be substantially improved.

At the same time, the plan calls for significant expansion of the base for housing construction. The target for 1975 is well over one million new residential apartments with a 25 percent increase in the floor space of flats.

Specific targets

The growth of specific sectors during the current plan period, over the level attained in 1970, includes the following percentage increases: overall industrial production, 50 percent; electrical engineering, 75; chemical industry output, 64; light industry production, 45; minerals extraction, 43; and fuel and power output, 37.

Top priority is being given to further development of the engineering, chemical, and food industries, and to agriculture. Thus, in engineering great emphasis is being placed on development of the motor vehicle, electronic, electrical machinery and apparatus industries. Included in this program is the manufacture of an economy-class passenger car based on a Fiat license, special cross-country vehicles designed for use on farms, buses for municipal and long-distance routes, tractors, and digital computers.

In the chemical industry, production of plastics is to double by the end of 1975. In the light industry, a particularly rapid growth of output is scheduled for textiles, clothing, leather, and footwear.

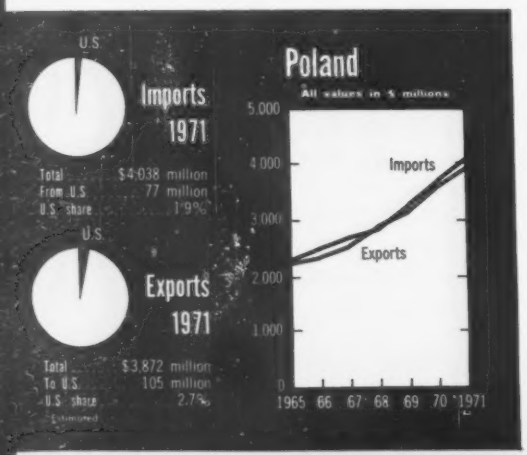
These goals should provide more business opportunities for U.S. firms, including joint-venture partnership arrangements.

New plants to be built

Polish plans for the near future envisage the construction of new processing plants for meat, poultry, eggs and dairy products, edible oil, fruit and vegetables, and construction of new breweries and refrigerating plants.

Illustrative of joint-venture possibilities are cooperation agreements which Poland has concluded in recent years with West German firms. These include cooperation contracts for production of gear boxes; for building inland navigation vessels, such as river tankers, barges, and tank barges; for construction of truck-mounted self-propelled concrete mixers; and for production of milling machines and lathes, chemical apparatus, machine parts, crankshafts, tanks, and woodworking machines.

POLAND'S CHIEF IMPORTS FROM U.S.: corn, grain sorghums, soybeans, soybean oil, oilcake and meal, cottonseed oil, linseed oil, cattle hides, cotton, tallow, tobacco and products. POLAND'S CHIEF EXPORTS TO U.S.: canned hams, pork, and shoulders, frozen cod blocks, iron or steel plates, sheets, bars, and shapes, fox and mink fur, organic chemicals, glassware, fabrics of vegetable textile fibers.



Romania

Trade Expansion Policies Encourage Resumption Of U.S. Export Growth; Capital Equipment, Machinery In Demand

U.S.-Romanian trade appears to be resuming the high growth rate it has enjoyed in recent years. After a mild decline in total two-way trade from $79.8 million in 1970 to $66.3 million in 1971, figures for the first four months of 1972 indicate good prospects for trade exceeding $85 million this year. Most of this total will consist of U.S. exports, which should approach $65 million—representing a fourfold increase since 1968 in Romania's purchases of U.S. goods, Ralph S. Edwards of Commerce's Eastern Europe Division points out.

Due to heavy indebtedness and limited hard currency, Romania will have to seek liberal credit terms to finance Western imports. But strong support for expanded economic relations by the Government policies of both countries will insure a favorable trading climate.

Visit United States

The Romanian Government has expressed its interest in expanding trade by sending high level officials to the United States for talks with Government and business leaders. The Romanians have encouraged foreign equity participation in the country's development by passing a Foreign Investment Law in 1971 which allows up to 49 percent foreign ownership of equity in joint ventures, with guaranteed repatriation of profits. Romanian officials would particularly like to have participation of U.S. companies in joint enterprise equity investment.

The U.S. Government has recently taken a number of important steps to encourage trade with Romania. The Administration publicly supports a bill pending in Congress that would grant the President authority to extend Most-Favored-Nation (MFN) tariff treatment to Romania. Last December the President authorized the Export-Import Bank to extend and guarantee financial credits to Romania. Another Presidential determination of national interest in March makes Overseas Private Investment Corporation (OPIC) programs available in Romania.

To facilitate Romanian purchases of U.S. grain, a new $40 million line of Commodity Credit Corporation (CCC) credit has just been established for Romania. In addition to this broad spectrum of new Government initiatives, U.S. export controls are more liberal in regard to Romania than for other Soviet bloc destinations.

Romania's rapid rate of economic growth will stimulate its trading relations with the United States in 1972. The current Five Year Plan projects an average annual growth of about 8 percent in the 1971-75 period, led by an average industrial growth rate of 11 percent a year. In 1971, the Plan's first year targets were more than fulfilled as industrial output rose by 11.5 percent and national income by 12.5 percent. Nearly 400 new production facilities went into operation during the year. By meeting import needs and expanding exports, the Romanians plan to increase two-way foreign trade 20 percent in 1972.

Romania's emphasis on rapid expansion of industrial output will result in continued high demand for capital equipment and machinery. Priority is assigned to development of greater sophistication in the mechanical engineering and chemical sectors of industry, as well as modernization of their steel metallurgy, electronics, machine tools, and shipbuilding industries. To help achieve these goals, the Romanians are eager to buy technological know-how in addition to capital goods from U.S. firms.

Of special interest

Commodities the Romanians would particularly like to buy from the United States include jet aircraft and electronic data processing equipment (both subject to export control regulations, however). Among the projects for which Romania wants U.S. machinery and capital goods are a tire plant, steel mill, ammonia plants, oil rigs, food processing plants, a nuclear technical center, hotel and health spas, and diesel locomotive production facilities.

Agricultural goals include expanded livestock production and greater use of mechanization, irrigation, and chemical fertilizers. Due to generally favorable planting and weather conditions, 1971 was a particularly good year for Romanian agriculture. Severe drought conditions in the winter and spring of 1972, however, will hinder this year's agricultural output. Shipments of U.S. wheat and corn will undoubtedly be needed to meet temporary food shortages.

ROMANIA'S CHIEF IMPORTS FROM U.S.: wheat, cotton, cattle hides and other crude materials, rolling mills and parts for metal working, air and gas compressors, electron and proton accelerators. ROMANIA'S CHIEF EXPORTS TO U.S.: footwear, residual and distillate fuel oils, clothing, furniture, cheese, chemicals.

USSR

Recent, Ongoing Negotiations Improve Commercial Climate; U.S. Exports Running At Twice The Rate Of Last Year's

"The United States and the USSR regard commercial and economic ties as an important and necessary element in the strengthening of their bilateral relations and thus will actively promote the growth of such ties. They will facilitate cooperation between the relevant organizations and enterprises of the two countries and the conclusion of appropriate agreements and contracts, including long term ones."

This unprecedented statement forms one of the basic principles of relations agreed to by the United States and the USSR during President Nixon's trip to Moscow in May, John D. Phipps, of the Commerce Department's Eastern Europe Division, points out. The commercial dialogue between the two countries is now to take place mainly in the Joint Commercial Commission, at meetings scheduled to begin in Moscow July 20 with Commerce Secretary Peterson heading the U.S. group.

Favorable factors

President Nixon announced July 8 that the United States and the USSR had concluded an agreement by which the USSR will purchase $750 million in wheat and feed grains over the next three years. A minimum of $200 million is to be purchased in the 12 months beginning Aug. 1. The sale will be made through the Commodity Credit Corporation on terms and prices no more favorable than those offered other countries. Credit extended will be limited to $500 million, repayable within three years.

This will be the largest grain purchase agreement ever made by the Soviet Union, the previous high being $600 million of grain purchased from Canada over a 5-year period. It will also make the Soviet Union the second largest purchaser of American grain, after Japan. The transaction, the largest ever concluded between the United States and the Soviet Union, was believed to be motivated largely by the Soviet desire to increase domestic meat consumption and is part of the general drive to raise the standard of living of the Soviet consumer.

Even before announcement of the grain transaction, the favorable trend in U.S. commercial relations with the Soviet Union could already be seen from the steady rise in U.S.-USSR trade. In 1971 total two-way trade reached $220 million with U.S. exports of $162 million, up 36 percent over the 1970 level. The increase was sparked by large Soviet purchases of capital equipment for automobile production and of feedgrains. U.S. exports to the Soviet Union this year are running at twice the rate of 1971.

If as expected the present pace continues, U.S. sales may attain a level of about $350 million in 1972. With the exception of U.S. shipments to the USSR during the years of World War II, $350 million of U.S. exports in 1972 would represent the highest peacetime U.S. trade with the Soviet Union in over half a century. Nevertheless these exports still amount to less than one percent of total U.S. exports.

In 1971 the USSR's GNP—second in size only to that of the United States—reached approximately $550 billion and its foreign trade $28.7 billion, posting growth rates of 8.3 and 7.1 percent respectively over 1970 levels. While constituting a small part of GNP, Soviet foreign trade is rising rapidly, having grown since 1966 at an average annual rate of about 9 percent.

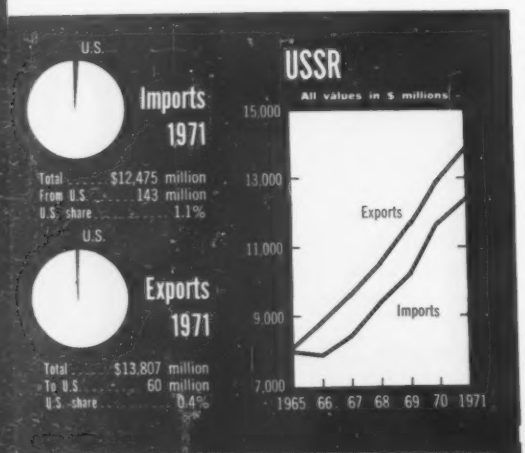
USSR'S CHIEF IMPORTS FROM U.S.: aluminum oxide, lifting and loading equipment, hides and skins, grain, metalworking machinery, woodpulp. USSR'S CHIEF EXPORTS TO U.S.: platinum and platinum group metals, gem diamonds, chrome ore, titanium, furskin, glass.

Competition strong

More significantly, trade with the industrial non-Communist states grew at a faster rate (8.3 percent) last year than trade with any other group of countries, including the socialist nations of Eastern Europe. U.S. exporters will thus find tough competition from the other advanced industrialized countries, including the following which had a larger two-way trade with the USSR last year than the United States: Japan, West Germany, France, Italy, Finland, Sweden, and the Netherlands.

A larger number of visits by individual businessmen and trade missions between the two countries has accompanied the faster trade pace of the past few months. In May, 28 American firms displayed their products in Moscow in a computer exposition timed to coincide with the President's summit visit.

U.S. firms are also increasingly participating in specialized international trade exhibits in the USSR, which are sponsored by the USSR Chamber of Commerce. The Soviet Union will have the largest country exhibit space at UNIMART 72, Washington State's international trade fair opening Aug. 11.



Far East Sales Near Record

U.S. Sales To Rebound From 1971 Decline; Exports To Region Should Top $9 Billion

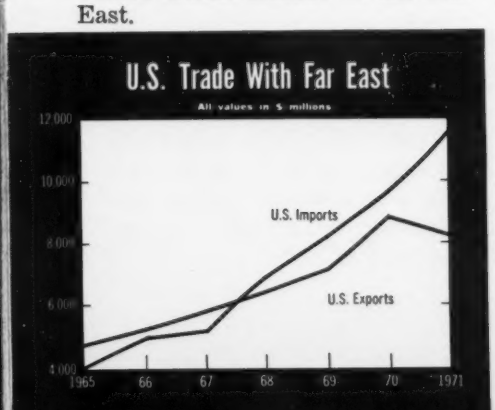
U.S. exports to the Far East should reach a new high in 1972, and for the first time are expected to top the $9 billion mark. The increase over the disappointing 1971 total of $8.3 billion largely will be accounted for by higher sales to Japan, writes David E. Westley of Commerce's Far East Division.

In contrast to exports generated by economic activity, recent currency realignments so far appear to have had only a marginal impact on the overall U.S. export performance in the region. There are some indications, however, that this factor may become more important and may help counter last year's decline in the U.S. share in virtually every major market in the Far East.

Sales to Japan gaining

Japan currently accounts for more than half of all U.S. exports to the Far East. Exports to Japan are running well ahead of last year and should surpass the 1970 record high of almost $4.7 billion. This favorable outlook, following a sales decline in 1971, is based upon anticipation of a further increase in Japanese economic activity, a better competitive position for U.S. products as a result of the 17 percent yen revaluation, and efforts by the Japanese Government to promote imports.

In contrast to Japan, a decline is expected in 1972 U.S. exports to Australia, the second largest United States market in the Far East.



Although reserves are at a high level, exports up, and the balance of payments favorable, Australia has been in an 18-month recession, characterized by a decline in farm income and a general slowdown in manufacturing activity. Government efforts to stimulate the economy are expected to result in an improved growth rate and a better market for U.S. products, but probably not until late 1972 or early 1973.

Continue to profit

U.S. suppliers should continue to profit from Taiwan's continued high growth rate and its ambitious plans for economic development. They should also benefit from the active interest of the Export-Import Bank, Japanese hesitance to expand activities, and the revaluation of the Japanese yen.

Although U.S. economic assistance, including PL 480 shipments, is a major factor in exports to Indonesia, U.S. commercial sales were estimated at $120-$125 million last year, and are on the increase. The upward trend of oil income is encouraging in this regard, while a special opportunity may be offered by some $200 million in untied aid to be provided by Japan for oil-related Indonesian projects.

Exports to some other major markets in the Far East, Korea, Singapore, the Philippines, and Hong Kong, are expected to post modest gains in 1972. Any increase in sales in Korea, third largest U.S. market in the region, will be limited by an economic slowdown and restrictions on imports, with increased exports of PL 480 commodities offsetting declines in those of military aid goods. Similarly, U.S. exports to the Philippines will be restrained in their growth by economic stabilization measures imposed in early 1970 which seem unlikely to be eased significantly in the near future.

Shipments to Singapore in 1972 are expected to rise substantially less than the 32 percent increase recorded last year and 58 percent in 1970. In many instances they will be directly related to new U.S.-financed manufacturing industries, part of the more than $300 million in U.S. direct investment already in Singapore. Importer uncertainty regarding recent currency shifts and the course of Hong Kong's exports has been largely dispelled by a strong export performance and substantial increase in tourist arrivals, and a modest rise in U.S. exports for the year as a whole is anticipated in spite of a slow start.

In Malaysia, New Zealand

U.S. sales to both Malaysia and New Zealand are expected to increase significantly in 1972—Malaysia's economy continues to expand in spite of lower commodity prices and New Zealand appears to be entering a period of renewed economic activity after a two-year recession.

Shipments of U.S. goods to Thailand are running ahead of 1972, largely as a result of improvement in the Thai economy, with the performance of the Thai export sector especially gratifying in this regard.

A number of important business opportunities in the region are identified in the recently published, $3 million Southeast Asian Regional Transportation Survey, which recommends a comprehensive, 20-year program of 145 transportation projects in Southeast Asia, to cost $3.25 billion. Pending receipt of additional copies of the four-volume study by Arthur D. Little, one set is available for consultation in the reference room of the Commerce Department's Office of International Business Assistance.

Australia

Economy Beset With Inflation, Unemployment; But Long-Term Outlook For U.S. Sales Is Favorable

The short-term outlook for U.S. exports to Australia continues to be discouraging, despite indications that normal market forces are beginning to take over and the Australian economy may shortly be emerging from the trough of the last 18 months.

In the period immediately ahead, reports Deane M. Black, Commerce's Australian Desk Officer, U.S. exports are expected to decrease below the level of last year; however, an upturn is anticipated in early 1973 after the national elections are over and Government measures to correct the imbalance in the economy have had time to become fully effective.

External position good

Though domestically the Australian economy has been beset with inflationary pressures and high unemployment, combined with sluggish performance in some sectors, the external position remains extremely favorable. Foreign exchange reserves now amount to more than $3.5 billion, or over ten months' imports at current levels, and investment capital from abroad continues to come in at an unprecedented rate. In FY 1971 (July-June), a total of some $1.7 billion of overseas capital was attracted to Australia, of which about $544 million was of U.S. origin.

The balance of payments position has also been considerably strengthened by rising export receipts coupled with a low import bill resulting from sluggish demand. Eleven-month trade figures for FY 1972 show a rise of 13.2 percent in total Australian exports, to nearly $5.4 billion, and a 2.5 percent decline in imports, to some $4.5 billion, resulting in a record trade surplus of some $936 million, three times that for the whole of FY 1971.

Over recent months, the Australian Government has taken a number of steps to stimulate the economy and to reduce unemployment and dampen inflation. The restoration of the investment allowance in company income tax should spur capital expenditure and the reduction in personal income tax, along with the increase in pensions, should further stimulate consumer expenditure. The areas of capital expenditure and retail sales, particularly, have been lagging since the Government took measures to dampen the economy in the early part of 1971.

U.S. share falls

Australia's total imports in 1971 were valued at $4.7 billion, of which more than $1 billion represented imports from the United States. Although the United States continued to be the principal source for Australia's imports, the U.S. share of the import market fell from 24.8 percent in 1970 to 22.1 percent in 1971. The largest part of the decline was taken up by Japan, but the U.K. share also advanced by one percentage point.

The total volume of Australian imports is unlikely to change much as a result of dollar revaluation; however, there is a possibility of some shifts in sourcing in favor of the United States, with the improvement in price competitiveness (the Australian dollar was revalued at US$1.19 in late December).

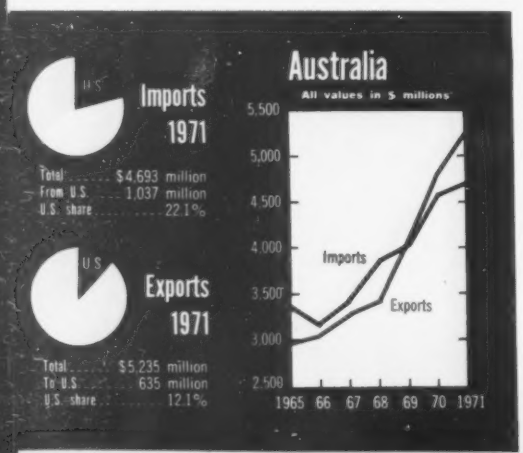
The areas offering the best sales potential for U.S. exporters will continue to be in the traditional items of capital goods and equipment and products incorporating new and advanced technology.

Exhibition opportunities

U.S. exporters may want to take advantage of the facilities offered by the U.S. Trade Center in Sydney to show their products at the several major exhibitions tentatively scheduled for the fiscal year beginning this month, including scientific instrumentation and equipment, electronics, industrial process controls, and a marketing and training aids exhibition and seminar.

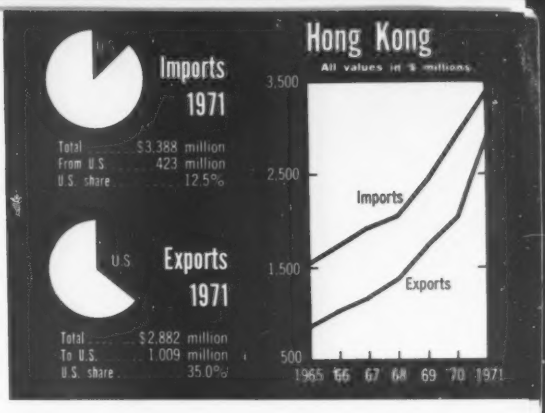
While Australia should continue to be a prime investment area for U.S. firms, an Australian Senate Committee is inquiring into the contribution which foreign investment has made to the Australian economy, and its recommendations will no doubt form the basis for whatever action the Government might take on foreign investment in the future. There are currently no legal restrictions on foreign investment, but there has been a growing concern in Australia regarding takeovers of existing Australian companies, and the extent of Australian participation in new enterprises.

AUSTRALIA'S CHIEF IMPORTS FROM U.S.: machinery (except electric), transport equipment, electric machinery, apparatus and appliances, chemicals, scientific and controlling instruments, plastics. AUSTRALIA'S CHIEF EXPORTS TO U.S.: meat, alumina, sugar, metalliferous ores and scrap, frozen lobsters, non-ferrous metals, wool.



Hong Kong

U.S. Sales Expected To Improve In Coming Months As Colony Export Upturn Allays Importer Concerns



Only a modest increase is likely this year in U.S. exports to Hong Kong, perhaps on the order of 3 percent, resulting in a total of around $435 million. Improved shipments during the remaining months of 1972 are expected to overcome the 3.3 percent decline registered between January and May compared with the same period in 1971.

U.S. exports to Hong Kong in the last half of this year should exceed the July-December 1971 level, which was held down by the U.S. dock strikes.

Arthur R. Dornheim, the Commerce Department's Desk Officer for Hong Kong, reports that the current slump in U.S. exports reflects a general Hong Kong importer cautiousness after the currency realignments of last December and uncertainty over the future of the Colony's exports in its main markets, the U.S., U.K., and EEC. Also behind this uncertainty is a concern over production costs, which are rising faster than in some competing Asian countries. The Colony's imports from all sources were up only 8.2 percent in the first four months over 1971 and every developed country supplier showed a decline in sales.

Further importer uncertainty may result from the Colony's unusual and temporary severing of the Hong Kong dollar from the pound on July 6 and its pegging to the U.S. dollar at the new rate of HK$5.65 to U.S.$1. This rate leaves the Hong Kong dollar revalued 6.76 percent against the pre-Smithsonian U.S. dollar and should still confer some trading advantages on U.S. exporters.

The Colony's strong export performance during the first four months of 1972—up 18.9 percent compared with 11 percent in 1971—along with an encouraging 26 percent increase in tourist arrivals in the first quarter, is expected to allay some of these importer concerns.

Although the Hong Kong Government keeps no national income accounts, an unofficial estimate places 1971 GNP at $3.65 billion, up 8.6 percent in current prices (or 3 percent in real terms) over 1970. Growth in 1972 has been estimated in the 7-10 percent range.

Cautious business mood

The cautious Hong Kong business mood in the first months of 1972 was reflected in the more moderate expansion of bank credit. During the first quarter it rose by 19 percent compared with 23 percent in January-March 1971.

There are as yet no clear signs that the devalued dollar has conveyed a trading edge, pricewise, to American exporters. High ocean freight rates, less flexible financing terms, and slower delivery times are still major obstacles.

Hong Kong's imports last year of $3.4 billion were 15 percent greater than in 1970, but contrast with 18-19 percent annual growths in the years 1968-70. Much of this slackened growth is attributable to the Colony's more modest export gains in 1971. Hong Kong's imports from the United States, valued at $426 million, went up 9.4 percent last year compared with 1970, but the U.S. share of the market declined from 13.2 percent in 1970 to 12.5 percent in 1971. Increased purchases of U.S. raw cotton, cigarettes, unset diamonds, and electronic components and parts (from U.S. parent companies to their Hong Kong assembly subsidiaries) overcame declines in Colony purchases of office machine parts and accessories, window air conditioners, and various paper products.

HONG KONG'S CHIEF IMPORTS FROM U.S.: electronic and electrical components and parts, unset diamonds, raw cotton, cigarettes, oranges, synthetic fibers. HONG KONG'S CHIEF EXPORTS TO U.S.: clothing, plastic toys, transistor radios, plastic flowers, wigs, computer components and parts.

Best U.S. sales prospects

U.S. exporters of the following product lines should do well in Hong Kong in coming months: textile machinery, construction equipment, materials handling systems, office machines and EDP equipment, hotel and restaurant equipment, and paper products. A June 1973 solo exhibition of the Commerce Department is to feature office machines, including reprographic equipment.

The Colony's free port status and laissez-faire policies are likely to be maintained and will attract not only U.S. exporters but also American firms looking for a place to locate their regional sales headquarters.

Hong Kong's chronic trade deficit (over $520 million in 1971) has been amply covered by invisible earnings from tourism and commercial, financial and shipping services and by capital inflows. Exchange reserves held by the Hong Kong Government and by private banks exceeded $2.1 billion at the end of last year.

Indonesia

U.S. Sales Rise Sharply Again, Responding To Current Encouraging Factors In Nation's Commercial Outlook

U.S. exports to Indonesia have resumed their strong upward trend as January-May exports of $133 million were 20 percent higher than in the same period of 1971. While total 1971 exports of $263 million were 1 percent lower than in 1970, mainly due to smaller sales of P.L. 480 agricultural commodities, non-aid exports rose sharply, possibly by as much as 50 percent.

Encouraging factors in the commercial outlook cited by M. Virginia Webbert, Commerce's Desk Officer for Indonesia, are: the continued rise in Indonesia's export earnings, primarily from oil; the increased competitiveness of the United States by reasons of the recent currency revaluations; accelerating domestic investment fostered by official programs; increased implementation of U.S. investment contracts; and a larger foreign aid program.

Foreign aid increases

In the fiscal year ending March 31, 1973, the Inter-Governmental Group for Indonesia (IGGI) of donor countries and international agencies will provide aid of $724 million (the United States about $203 million), meeting Indonesia's request for $320 million in food and other program aid and exceeding the $350 million in project aid sought. In addition to sales opportunities under the U.S. aid program, American exporters may share in $145 million of new aid in 1972-73 from the International Development Association and the Asian Development Bank and in $200 million of untied aid for oil sector related projects which Japan will provide in addition to aid within the IGGI framework.

The substantial economic progress made in 1971, with GNP growth of 6-7 percent, will be accelerated in 1972, the balance of payments strengthened, and net official reserves (now negative) increased, mainly from the large rise expected in receipts from oil. Prices are remaining stable. Through its own 8.9 percent currency depreciation in August 1971 and maintenance of the Rp. 415 per U.S. dollar rate during the December 1971 currency realignments to strengthen its balance of payments, Indonesia depreciated its currency by 16 percent vis-a-vis the May 1971 exchange rates of its major trading partners. This step has had no detrimental impact on domestic or foreign confidence, which remains strong.

Indonesia's trade and exchange system is virtually free from restrictions and broad reductions in tariffs have been made. The overall 1972-73 budget is balanced at Rp. 752 billion, with the development budget 64 percent higher than in 1971-72. In 1972-73, gross exports are expected to increase by 37 percent to $1,889 million, with a near doubling of oil exports, and imports by 21 percent to $1,613 million, with a sharp increase in the importation of capital goods.

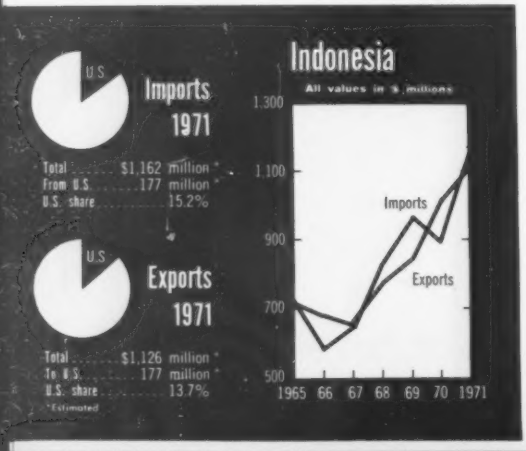
The United States was Indonesia's second largest supplier in 1971, with a market share of about 21 percent. While total U.S. exports fell slightly compared with 1970 because the value of P.L. 480 agricultural shipments fell to $98 million, by 26 percent, machinery and transport equipment exports rose by 26 percent to $117 million. Construction and mining machinery was up 45 percent and pumps, centrifuges and parts, 83 percent. U.S. machinery and equipment continue to be in strong demand by Indonesian importers and by domestic and foreign investors.

U.S. imports from Indonesia rose to $207 million in 1971 led by increases in petroleum, pepper, coffee, and palm oil. Japan, with 1971 exports to Indonesia of $453 million and imports of $854 million, continues to be Indonesia's major trading partner.

Indonesia continues to welcome foreign capital and has approved nearly $2 billion in non-oil projects and some $500 million in oil since 1967. Special concerns are that investors develop more labor-intensive projects and avoid sectors which Indonesians can handle. Non-oil U.S. investment contracts now total about $600 million, with U.S. firms involved in over two-thirds of oil contracts.

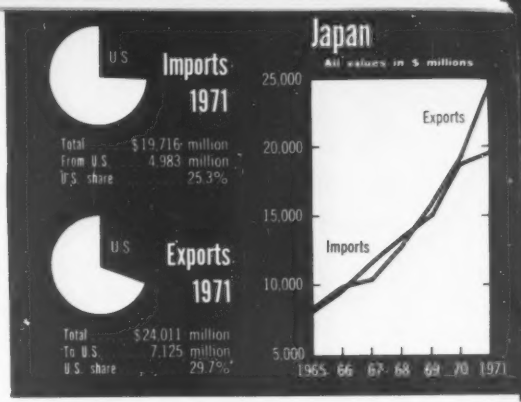
Investment applications under the domestic investment law are now outpacing foreign investments applications. Nearly 900 projects, mainly in manufacturing industries, wth foreign exchange requirements for imports of nearly $700 million, were approved between 1968 and Jan. 30, 1972. These are being facilitated by preferential credit under the Indonesian Government's medium-term credit program and offer increasing opportunities for sales of U.S. equipment.

INDONESIA'S CHIEF IMPORTS FROM U.S.: rice, raw cotton, wheat flour, trucks, construction and mining machinery, aircraft and parts, pumps and centrifuges. INDONESIA'S CHIEF EXPORTS TO U.S.: crude petroleum, rubber, coffee, pepper and other spices, palm oil, tea.



Japan

Economy Poised For Strong Upturn In Second Half; U.S. Sales Are Expected To Resume Upward Trend



U.S. exports to Japan, which last year fell nearly 13 percent below 1970, are expected to resume this year the upward trend of previous years and surpass 1970's $4.6 billion.

Tatsuo A. Miyakawa, Assistant Japan Desk Officer in Commerce's Far East Division, gives the following main reasons for the favorable outlook for U.S. exports: the expected strong upswing in the Japanese economy in the second half of the year; reduced yen prices for U.S. products as a result of the 17 percent yen revaluation of last December; and a deliberate effort by the Japanese Government to promote imports.

Upswing expected

Japan's gross national product in 1971 was $226 billion, or 6.1 percent above 1970 in real terms, the lowest real increase since 1965. Real growth in 1972 is forecast at 8-9 percent, still well below the 12 percent average of the late 1960s.

Recent increases in industrial production and shipments combined with inventory replenishment in some sectors suggest the return of a business confidence that has been missing for almost two years. On the other hand, private plant and equipment investment in manufacturing remains stagnant, and may even decline this year. Non-manufacturing investment, however, should rise substantially. Sharply increased governmental outlays for transportation, urban services and housing will help stimulate overall demand.

Wholesale prices, which fell last year by 0.7 percent, began rising early this year as oil and coal products and machinery and equipment showed strength. Consumer prices continue to increase but significantly slower than last year's 6 percent. Import prices are also well below the prices of a year ago, clearly reflecting the appreciation of the yen in relation to the dollar.

The expansion of U.S. exports will depend importantly on the extent to which their lower prices to the Japanese importer will be passed through to the Japanese consumer and induce him to buy more.

U.S. exporters, aided by the upward effect of last December's currency realignment on the prices of most major U.S. competitors, should be able to increase their overall share of Japan's import market from last year's 25.3 percent. The U.S. share of Japan's import market had risen to 29.4 percent in 1970.

U.S. export prospects

In addition to the expected upswing in the economy and the December currency realignment, other factors favorable to U.S. export prospects include the recent lifting of import quotas on computer peripheral equipment (excluding memories and terminals), the enlargement of import quotas on oranges and other agricultural products, reduction of tariffs on items of export interest to the United States, the easing of Japanese Government restrictions on the establishment of distribution facilities in Japan, and Government plans to facilitate the financing of imports.

JAPAN'S CHIEF IMPORTS FROM U.S.: machinery, coal, chemicals, aircraft and parts, soybeans, logs and lumber. JAPAN'S CHIEF EXPORTS TO U.S.: iron and steel products, passenger cars, textiles and apparel, TV and radios, motorcycles and scooters, musical instruments and parts.

The changing pattern of Japanese investment — from manufacturing to nonmanufacturing—should open new opportunities for U.S. suppliers of such products as antipollution equipment, testing and measuring instruments, interior materials and equipment for houses, office machines and supplies, and labor-saving equipment and systems for small enterprises. Sales prospects are also promising for consumer products such as housewares, leisure goods of all kinds, apparel, giftware, toys and games, and processed foods.

Huge payments surplus

Japan's balance of payments position remains highly favorable, due to the heavy surpluses Japan continues to run on its trade account. For the first quarter of 1972 Japan's export surplus was $1.7 billion, almost $600 million above the comparable period last year. Despite increasing capital outflows, Japan's foreign exchange reserves were $16.5 billion (almost a year's imports) at the end of April, as compared to $5.7 billion a year earlier.

Trade promotion activities under consideration for the Tokyo Trade Center include building constructon equipment and materials, property security devices, industrial assembly equipment, and office modernization equipment shows. For consumer goods, two industry organized-Government approved trade missions—textiles in September and apparel in October—are also scheduled.

Korea

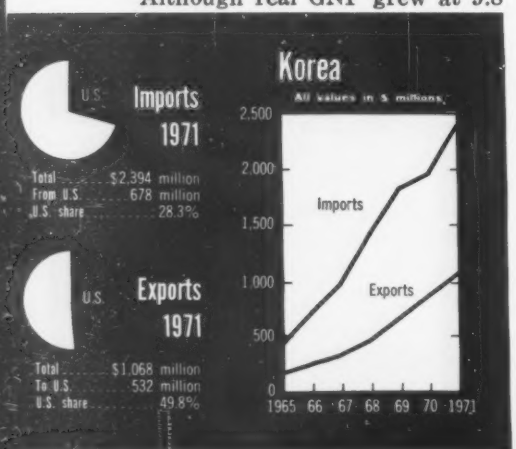
U.S. Sales Expansion Is Expected To Continue Despite Economic Slowdown, But At Reduced Rate

Despite Korea's recent economic slowdown and planned reductions in the rate of growth of imports, U.S. sales in 1972 are expected to continue to expand, although at a reduced rate. U.S. exports to Korea (excluding military shipments) reached a record high of $582 million in 1971, a 14 percent increase over the 1970 figure.

Korea ranks third among Far East markets for U.S. goods. Modest rather than spectacular gains in U.S. trade with Korea can be expected as a result of the recent currency realignments which saw the Korean won remain tied to the dollar. Possible gains arising out of the dollar revaluation primarily will involve only about 35 percent of U.S. exports to Korea, according to the Commerce Department's Desk Officer, Joan M. Plaisted.

While total Korean imports will continue to increase, the rate of increase will be substantially below the annual average of 27 percent experienced in recent years (1967-71). The Government is attempting to restrain the growth in imports for 1972, originally set at 6 percent but now conceded at 10 percent, by a policy of combined tight money and increased import restrictions. Under Korea's Third Five-Year Plan (1972-76), commodity imports are expected to reach $3.67 billion by 1976, compared with a level of $2.39 billion in 1971.

Although real GNP grew at 9.8 percent in 1971, compared with 8.9 percent in 1970, Korea is experiencing an economic slowdown that began in the third quarter of 1971 and continued through the first half of 1972. This slowdown can be attributed to several factors including a contractionary monetary policy, external pressures, the end of the construction boom, and the effects of the restrictive import policy introduced in the latter part of 1971. Guidelines for the Third Five-Year Plan set the average annual GNP growth rate at 8.6 percent.



Growth problems

The rapid pace of Korea's economic expansion in the 60s has brought on problems of trade imbalance, inflation, and debt service. Thus the Third Plan will place increased emphasis on balanced growth with greater price stability. Priority areas in which investment will be focused are agriculture and the rural economy, exports, and the development of heavy and chemical industry, particularly steel, shipbuilding, machinery, and petrochemicals. Meanwhile, the Korean Government—supported by a renewed IMF Standby Agreement—is continuing its efforts to stabilize the economy through restrictive monetary policies at home and ceilings on foreign borrowing.

Korea's merchandise trade deficit, which declined from $992 million in 1969 to $922 million in 1970, reached a record $1,058 million in 1971. Improvement in Korea's trade balance will be required if the goals of the Third Five-Year Plan and the country's heavy external debt obligations are to be met.

Japan remains Korea's leading supplier with a market share of 39.8 percent in 1971, down slightly from its 1970 percentage. Likewise, the U.S. market share declined slightly to 28.3 percent, compared with 29.5 percent in 1970.

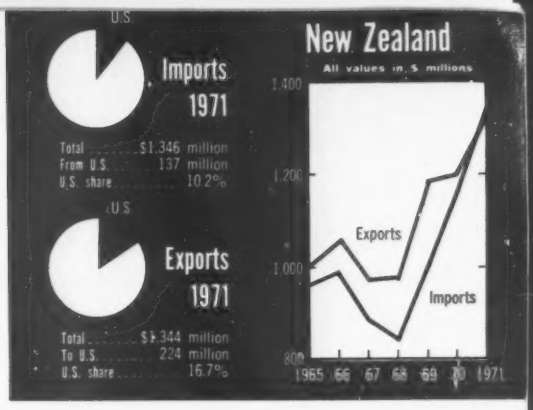
In view of the high priority the Korean Government places on export expansion, imports and investments which contribute to Korea's growing export capacity appear most promising. U.S. products so far identified, the competitive position of which should be improved by the currency realignment, are pulp, polyacriol nitrite, resins, and various types of machinery such as pumps, compressors, marine steering equipment, electrical instruments, and textile machinery. The Korean Government's efforts to achieve economic stabilization and to narrow the trade gap will place increased importance on financing terms.

Upcoming U.S. trade promotion activities in Korea will include a specialized trade mission and catalog show with industry experts featuring metalworking and plastic production equipment tentatively scheduled for November 1972. The Second U.S. Industrial Machinery Exhibition held in Seoul last October should provide a solid base from which to further develop the Korean market. Products exhibited included machine tools and metalworking equipment, office machinery and computing equipment, power hand tools, food processing and packaging equipment, medical equipment and pharmaceuticals, pumps, valves and compressors, and scientific control, testing and measuring instruments. U.S. Export-Import Bank credits totaling $24 million were introduced to finance exports of exhibit items.

***KOREA'S CHIEF IMPORTS FROM U.S.:** food grains, machinery, raw cotton, transport equipment, iron and steel scrap, animal feeds. **KOREA'S CHIEF EXPORTS TO U. S.:** clothing and textile fabrics, plywood, wigs, electronic products, footwear, iron and steel sheet.*

New Zealand

U.S. Sales To Record Healthy Increase This Year; Government Acts To Accelerate Economic Activity



U.S. exports to New Zealand this year will show a healthy increase over 1970, based mainly on the continuing improvement in economic conditions, and in the country's external trading position. The first four months of 1971 recorded an increase over 1970 of 15.3 percent in U.S. exports to New Zealand, as well as an 18 percent rise in imports from that country.

The outlook for the New Zealand economy is brighter than it has been for some months, reports Deane M. Black, Desk Officer for New Zealand. While the economy has been experiencing the incongruous combination of slow growth and rapid inflation, the Government has taken action to accelerate economic activity and to dampen inflationary pressures. Wages and price controls were announced in late March, dividends were frozen, and maximum interest rates established. Other steps to encourage confidence in the economy included reductions in minimum deposits and extension of repayment periods for installment purchases, relaxations in bank lending, and a reduction in state borrowing requirements.

New Zealand's FY 1972 budget, approved in late June, introduced a further range of economic measures to stimulate domestic demand and raise productivity. Such measures included personal income tax rebates, extension and doubling of investment allowances, and increases in export incentives on manufactured goods. Other measures covered increases in social security benefits and pensions. The Minister of Finance noted in the budgetary presentation to Parliament that the U.K.'s entry into the EEC will also require some readjustment in the New Zealand economy.

Overall indications are that a slow recovery is in process, assisted by the Governments' measures. A rise in real GNP of some 3½ percent was recorded in the 1972 fiscal year (April-March), but a faster increase has been forecast for FY 1973. Estimated GNP for FY 1972 was $NZ 6.2 billion.

Trade picture bright

New Zealand's external trading position continues to improve as a result of buoyant export prices combined with a decreasing volume of imports. Rising imports with a slower growth in exports may lead to some deterioration in the position towards the end of 1972.

Assisted by high prices for dairy products, New Zealand exports in 1971 totaled $1,344 million, an increase of 10 percent over 1970 while total imports were valued at $1,346 million, a rise of 8 percent over 1970. The United States supplied 13 percent of New Zealand imports, valued at $137 million, and took 16.7 percent of New Zealand exports, valued at $224 million.

By June 1972, New Zealand's foreign exchange reserves had reached a peak level of $NZ731 million, accounted for mainly by the combination of a substantial inflow of private capital, a smaller volume of official borrowing, and the second allocation of Special Drawing Rights from the I.M.F.

The New Zealand dollar was revalued at U.S.$1.19 in December.

The New Zealand Government announced in 1971 that it would phase out its import licensing system within five years and replace it with higher tariffs where protection was needed for domestic industry. Exemptions from licensing include a number of changes of interest to U.S. exporters which, coupled with lower prices due to dollar devaluation, and the expanded financing facilities offered by the Export-Import Bank, should improve the U.S. competitive position in the New Zealand market vis-a-vis third suppliers, such as the United Kingdom and Japan.

With the dismantling of import licensing controls and the phasing out of British preferences, the best prospects for U.S. exporters to New Zealand should lie in association with the various plans of the New Zealand Government to improve productivity, to encourage tourism, and to diversify domestic industries producing for export. With some 12 percent of New Zealand's export receipts now derived from manufactured goods exports, the modernization and re-equipment of plant should provide a demand for machinery and equipment incorporating the latest in technology and know-how.

Under the 1972-73 Import Licensing Schedule, effective July 1, increases of 25 percent or more in license entitlements were granted on a substantial number of items, and newly-exempted items include photocopying apparatus, rubber tires of sizes not made in New Zealand, air compressors, escalators, plastic molding presses, bottle-washing machines, and tobacco processing machinery.

NEW ZEALAND'S CHIEF IMPORTS FROM U.S.: machinery, aircraft, chemicals, textiles, tobacco. NEW ZEALAND'S CHIEF EXPORTS TO U.S.: meat, wool, hides and skins, frozen lobsters, casein, sausage casings.

Philippines

Economic Progress Has Inspired Business Confidence; Modest Rise Forecast In Total Trade, Imports From U.S.

Total trade of the Philippines is expected to increase modestly in 1972, with imports from the United States showing a slight rise, according to James R. Johnston of the Commerce Department's Far East Division.

Chronic balance of payments pressures, aggravated by a deterioration in the terms of trade and a burdensome external debt, make unlikely any early relaxation of the restraints imposed on the economy under the stabilization program inaugurated in 1970. Despite constraints and uncertainties, however, business confidence shows buoyancy, inspired by economic progress over the last two years and optimism regarding long-term prospects.

Economic growth

GNP in 1971 was $7.5 billion, a 6.5 percent real increase from 1970, and per capita GNP was $205. Growth in 1972 may approximate that of 1971. The consumer price index jumped 23 percent in 1971, partially because of a rice shortage, and the wholesale index rose 16 percent. During 1971 the price index of products locally produced for home consumption rose 19 percent, while that of imported products rose 11 percent.

Philippine imports increased 9 percent in 1971, to $1,186 million (f.o.b.), after showing a drop of 4 percent in 1970. Because of price inflation, however, the higher value figure did not mean a comparable increase in volume. Imports from the United States dropped 8 percent in 1971, to $291 million, having shown a decrease of 3 percent in 1970, and the U.S. share of the market slipped to 25 percent in 1971 from 29 percent in 1970. The decrease in U.S. sales, which was spread over a broad range of product categories, reflected increased sales by suppliers in Japan, Europe, and Australia, together with increasing import substitution. U.S. sales should benefit from the improved price competitiveness which international currency realignments have made possible for American goods. At the same time, willingness to offer attractive credit terms will continue to be a key factor in meeting competition from other foreign suppliers to this market.

Philippine exports in 1971 reached $1,122 million, up 6 percent from 1970. Substantial increases were recorded in the volume of all major Philippine exports except logs. Philippine exports to the United States in 1971 were $453 million, a 3 percent increase over 1970.

Duties raised

Customs duties were raised sharply in February on many consumer items which have not been importable for several years. The Philippine Government indicated that the duty increases were being made as a step toward relaxation of the ban on the importation of such goods. However, the prospects for a significant easing of the restrictions do not appear promising in the face of chronic balance of payments problems.

Philippine requirements for machinery (both electrical and nonelectrical) and heavy duty transport equipment provide attractive opportunities for U.S. suppliers. Projects under consideration which could entail substantial imports include highway, port and airport development; power plants and distribution systems; irrigation projects; telephone expansion; textile mill expansion; sugar mills; and a copper smelter. Mining, construction, and food processing offer promising opportunities for U.S. equipment sales.

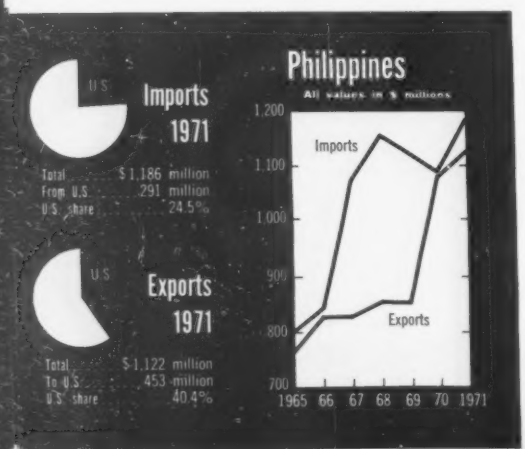
PHILIPPINES' CHIEF IMPORTS FROM U.S.: nonelectrical machinery, transport equipment, chemicals, electrical machinery, cotton, wheat. PHILIPPINES' CHIEF EXPORTS TO U.S.: sugar, coconut oil, clothing and accessories, wood veneers and plywood, copra, canned pineapple.

Reserves under pressure

Official international reserves, amounting to $224 million at the end of March, are under considerable pressure, and measures to curb imports will probably be maintained for some time. These include restrictions on the use of suppliers' credits, and an April 7 Central Bank instruction under which producer firms qualified to use documents against acceptance and open account arrangements are limited to no more than their 1970 imports under these facilities.

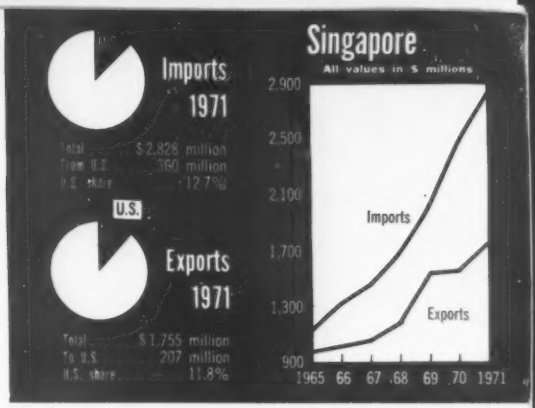
A U.S. metalworking equipment and plastics production equipment trade mission is scheduled to visit Manila in October.

Uncertainty about the Philippine investment climate has been heightened by extreme proposals in the Constitutional Convention to curtail the activities of foreign investors. However, moderation could well prevail in the final draft, which probably will not be finished for several months, and which must then be submitted to a popular referendum.



Singapore

U.S. Sales, Investments Continue To Mount As Economy Grows Faster Than Anticipated



U.S. sales to Singapore are expected to continue rising throughout 1972. The increasing demand in the Singapore marketplace for additional goods and equipment to support the multifaceted industrial boom activities under way is expected to continue strong, although probably at a slower rate of increase compared with 1971, when overall imports advanced some 30 percent.

Investment-related buying

Purchases from the United States in many instances will be directly related to the start-up of new American-financed manufacturing industries. The large and diversified American direct investment in Singapore now surpasses $300 million, with at least another $200 million in varying stages of planning or development, according to John E. Walsh, Commerce's Singapore Desk Officer.

Preliminary figures indicate that Singapore's rate of economic growth in 1971 was even higher than anticipated, despite the general monetary and economic crises felt throughout the world. Singapore's gross national product, in current prices, registered a further 14 percent increase to reach the level of $2.3 billion. Per capita GNP rose to over $1,100, further strengthening Singapore's position as the country with the second highest per capita income in Asia.

Foreign trade expanded 14 percent to reach a record $4,675 million. Ocean cargo handled by the fourth-ranking port in the world rose another 14 percent, accompanied by a 7 percent increase in the number of ships cleared.

Bank deposits increased by over 17 percent. The local Asian dollar and international gold markets continued to grow, along with foreign investment. And, despite a trade account deficit, the Republic's official overseas assets rose to $1,461 million, a gain of 23 percent. Despite this substantial expansion of investment and money supply, there was remarkably little inflationary pressure. The official consumer price index rose only 1.88 percent to 113.6 for the year-end level.

SINGAPORE'S CHIEF IMPORTS FROM U.S.: electronic components, construction and mining machinery, aircraft, power generating machinery, cooling equipment, tobacco and manufactures. SINGAPORE'S CHIEF EXPORTS TO U.S.: transistors and semi-conductors, crude rubber, clothing and accessories, wood veneers and plywood, textile yarns and fabrics, fish and fish preparations.

Trade with U.S. gains

Singapore's preliminary trade data for 1971 (still excluding its sizable, unpublished trade with Indonesia) show exports amounting to $1,790 million and imports $2,885 million. The United States supplied $367 million, or 12.7 percent of Singapore's import market, and took $212 million, or 11.8 percent of exports. These figures compare favorably with U.S. participation in 1970 of $272 million and $176 million, respectively, representing a further 35 percent increase in the level of Singapore's U.S. purchases and a 21 percent increase in Singapore's sales.

According to U.S. Census data, imports from Singapore in the first four months of 1972 were valued at $60.7 million, 72 percent higher than in the comparable 1971 period. U.S. exports to Singapore during the same period amounted to $108.9 million, up a modest 2.3 percent.

Manufacturing continues to be the fastest developing sector of Singapore's economy. Its contribution to Singapore's gross domestic product has increased in the period 1960-71 from a 9.2 percent to a 21 percent share. Manufacturers are becoming more and more export oriented, with over 40 percent of direct exports in 1971 coming from this sector. Also, Singapore-made goods are moving beyond the customary traditional markets of Southeast Asia to Japan, the Middle East, Europe, and America.

The growth of petroleum-oriented industries continues to create demands for products new to the Singapore scene. Also, the expansion of the precision engineering industry has opened the market for more sophisticated tool- and die-making machinery, gauges, measuring instruments, and miniature mechanical components.

Consumer goods market

Consumer products are expected to find an ever-expanding and lucrative market in Singapore as the population's economic well-being continues to rise. Beyond Singapore's own consumption, U.S. consulting and engineering firms will find increased encouragement to establish regional operations in Singapore for a full range of services, including consultancy, marketing, physical planning and development, international sales and services, education, medicine, and banking and finance.

Taiwan

Remarkable Rate Of Economic Growth Maintained; U.S. May Displace Japan As Leading Supplier

U.S. exports to Taiwan should continue their strong performance in 1972, reaching a level significantly above the $510 million attained in 1971. The United States may even displace Japan this year as the island's leading supplier, according to Margaret A. Kelleher of the Commerce Department's Far East Division.

Growth in U.S. sales seen

Despite international developments adverse to the Republic of China, the first four months of 1972 saw Taiwan maintain its remarkable economic growth. Industrial output was up 26 percent over the January-April 1971 level; exports were up 33 percent; and imports up 48 percent. This trend, along with ambitious development plans already being actively implemented, a favorable attitude by the U.S. Export-Import Bank, revaluation of the yen, and Japanese hesitation to expand their economic presence on Taiwan should contribute to a strong growth in U.S. sales to Taiwan this year.

GNP reached $6.2 billion in 1971, an increase in real terms of 11.4 percent over 1970. A high growth rate will probably be maintained in 1972. Business confidence remains strong, as demonstrated by a 25 percent increase in bank credit to the private sector and continued strong foreign private investor interest, especially among U.S. firms.

U.S. exporters should benefit from revaluation of the yen and from current Japanese Government policy. Recent reports indicate that Japanese suppliers are having to raise their prices to Taiwan buyers, and this may now make more competitive certain U.S.-origin synthetic fibers, petrochemical intermediates, steel products, and electronic components previously bought almost entirely from Japan. Also, Japanese Government credits to the Republic of China have all but ceased and Japanese supplier credits are less forthcoming. Private investment from Japan has resumed, but cautiously.

Share declines

Taiwan's imports of $1,990 million in 1971 were 30 percent higher than in 1970. Imports from the United States increased 28.3 percent in 1971, reaching $594 million. The U.S. share of the market fell slightly from 30.3 percent in 1970 to 29.9 percent last year. (Japan's market share was 38.5 percent.) Especially noteworthy were increases in Taiwan purchases of machinery, electronic components and parts (for further assembly on the island), synthetic fabrics, ships for scrapping, pulp and paper products, pharmaceuticals and dairy products. Purchases of wheat were down.

In the first four months of 1972, the United States, with a 35.6 percent market share, overtook Japan, with a 31.7 percent share, as Taiwan's leading supplier.

Taiwan's foreign exchange reserves exceeded $1 billion in May and the Board of Foreign Trade is reviewing its import controls with a view to further relaxations. Augmented U.S. sales in certain consumer goods categories could result.

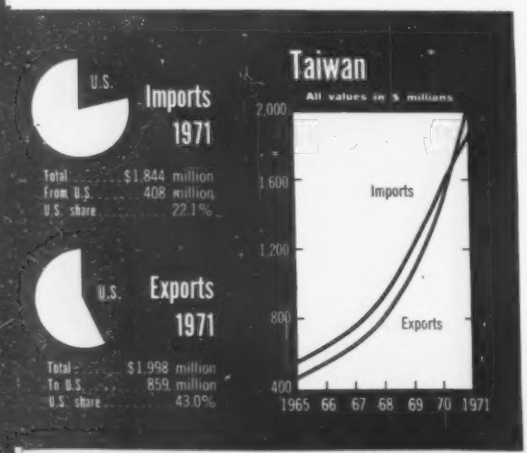
Prospects for the sale of U.S. capital goods are particularly bright. Taiwan's industrialization plans and the business-as-usual approach of the Export-Import Bank offer new U.S. sales opportunities in such industries as petrochemicals, oil refining, aluminum fabrication, steel making, shipbuilding, and textile finishing. Exports should flow from Taiwan's expansion of electric power generation and distribution, communications network modernization, and construction of a new airport and harbor.

Solo exhibition

A U.S. solo exhibition in Taipei Oct. 16-21 will promote the sale of equipment for the construction, metalworking, electronics, and textile industries; testing, measuring, quality control, and scientific instruments; machine tools, materials handling equipment, power and hand tools, pumps, valves and compressors; office machines and computers; and air conditioning and refrigeration equipment.

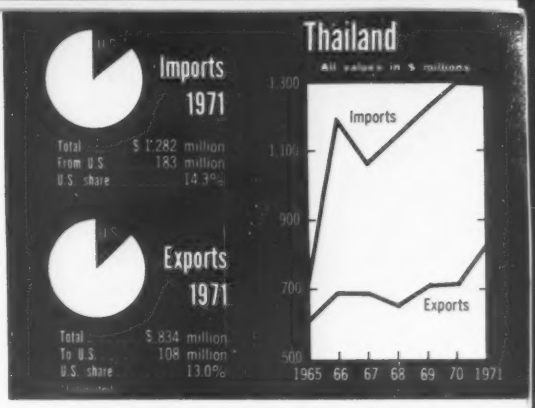
Opportunities are seen for increased sales of American services, especially in construction and engineering. Government emphasis on industrial expansion and investment in infrastructure under the current economic development plan offer U.S. contracting firms the opportunity to bid on design, construction, and installation, much of which was formerly undertaken by Japanese companies.

TAIWAN'S CHIEF IMPORTS FROM U.S.: farm products (soybeans, cotton, wheat), industrial machinery, construction equipment, electronic components and parts, iron and steel scrap. TAIWAN'S CHIEF EXPORTS TO U.S.: clothing, TV and radio sets, electronic components, footwear, plywood and veneer panels, preserved foods, plastic articles.



Thailand

Currency Realignment Improves U.S. Sales Prospects; Strong Thai Export Showing Enhances Business Outlook



U.S. exports to Thailand increased 6.6 percent to $58.5 million in the first four months of 1972, largely accounted for by a sharp increase in shipments of tobacco. Sales of American goods should register a moderate increase in 1972, benefiting from recent currency realignments and some recovery in the Thai economy. Exporters will continue to face strong competition, however, particularly from Japan, according to John N. Randolph, Jr., the Department of Commerce Desk Officer for Thailand.

Thailand's real economic growth rate is estimated to have been about 6 percent in 1971, about the same as in 1970 but substantially below the over 9 percent increases that were achieved in 1968 and 1969.

After four years of stagnation, Thai exports increased in value by a phenomenal 17.3 percent in 1971 to $833 million. The quantity of rice shipments was up 57 percent and corn replaced rubber as Thailand's number two foreign exchange earner. The strong export performance has continued into 1972, raising prospects of a recovery in Thailand's overall economic performance.

Baht pegged to dollar

The Thai unit of currency, the baht, has maintained parity at an exchange rate of 20.8 to the dollar, improving the competitive position of American products. In terms of dollars and baht, the yen has been revalued upwards by 16.88 percent, the Deutschemark 13.57 percent, and sterling 8.57 percent.

Japan supplied 38 percent of Thai imports in 1971 and the United States 14 percent. West Germany and the United Kingdom had 8 percent market shares. Total imports were $1,288 million, $10 million less than in 1970 and the first decline since 1958.

Aggressive suppliers offering finance and technical support to their agents are usually the most successful over the long run in the Thai market. Meeting delivery schedules is crucial, particularly for government procurement, as Thai agents are fined heavily for late delivery and consequently seek alternate sources of supply.

In addition to tobacco, U.S. exports of polyester staple, organic chemicals, insecticides and pharmaceuticals advanced sharply in the first four months of 1972. Disturbingly, sales in most categories of machinery and transport equipment declined.

Major opportunities

Major opportunities for future sales of American goods and services will be connected with implementation of Thailand's Third Five-Year Plan, which was promulgated on Oct. 1 and emphasizes export-oriented and agro-based industries as well as major infrastructure projects. In the latter area, the Thai Government plans railway modernization, highway construction and low-cost housing. Rapid transit, a second international airport, and additional bridges across the Chao Phya river are being programmed to relieve Bangkok's traffic congestion and keep up with anticipated increases in tourist arrivals.

THAILAND'S CHIEF IMPORTS FROM U.S.: cotton, tobacco, motor vehicles, heating and cooling machinery, polyester staple, lubricants. THAILAND'S CHIEF EXPORTS TO U.S.: tin, rubber, tapioca, precious and semi-precious stones, kapok, and shrimp.

Positive steps to improve the investment climate will be required to meet some of the goals in the Third Plan. A great deal of uncertainty has been created by the pending Aliens' Occupation and Business Control Bill despite official assurances that foreign investors will be little affected.

Payments position improves

Another encouraging sign in the Thai economic outlook is the improvement in the balance of payments position. After building up healthy reserves, the balance of payments position deteriorated in 1969 and 1970, when deficits of $44 million and $128 million were recorded. Some analysts then predicted reserves would decline to as low as about $300 million by 1976.

In 1971, however, the trade deficit was reduced by 23 percent to $456 million. The surplus on invisibles was $263 million and $177 million on transfers, capital movements, and net errors and omissions combined, leaving an overall deficit of only $16 million. Thailand's international reserves have increased for six consecutive months and as of April 30 net reserves were $880.7 million, sufficient to cover over eight months' imports.

Trade promotion events scheduled for the Bangkok Trade Development Center include a metal parts and plastic production equipment catalog show in November, a January exhibition featuring data processing and office equipment with scientific instruments, and a pollution control catalog show next March.

Near East-S. Asia: New Trends

Character Of U.S. Exports Changing; European And Japanese Competition Grows

An important change in the character of U.S. exports to the Near East-South Asia area, apparent for some time, seems to have arrived in 1972—probably to stay.

A decline is anticipated in exports financed by tied aid and PL480, and to a certain extent Special Category sales, which together had been supporting a very large portion of total U.S. exports. The improvement, or even the maintenance of the U.S. market position in this rapid-growth market area will thus increasingly depend on the ability of U.S. exporters to meet the competition of European and Japanese suppliers who already have managed a significant penetration of these markets at U. S. expense.

Jackson B. Hearn of Commerce's Near East - South Asia Division writes that U.S. exports to the area are currently projected to increase in 1972 by only about 3 percent, to $3.1 billion. A fairly significant gain in commercial sales should close the gap arising from lower specially financed sales, but as it looks now the increase will not provide the United States a share proportionate to import growth in the area.

With several country and commodity exceptions, sales of even those U.S. product lines which have consistently enjoyed the strongest demand throughout the area have generally failed to grow with the market in recent years, and this performance has continued into 1972. Only non-electric power generating machinery, construction equipment, metalworking machinery, and pumping machinery have shown significant and sustained growth.

Exports of such other strong sellers as motor vehicles and parts, telecommunications apparatus, electric power machinery and switchgear, heating and cooling equipment, mechanical handling equipment, scientific and industrial instrumentation, and paper and paperboard have remained about level or increased only marginally, while sales of agricultural machinery and chemicals have actually trended downward.

These products lines, along with such other items as textile and food processing machinery, office machinery, consumer durables, and foodstuffs—which are in strong demand in selected markets—are particularly suited to the area's growing development and other needs and are the best future U.S. sales prospects.

Outlook is bright

Generally accelerating economic activity, growing business confidence and rising incomes, together with the implementation of very substantial development projects involving high import content, combine to present a sharply rising demand for imports of both industrial and consumer goods. With the exception of a few foreign exchange-short nations, area countries are in a position, with a minimum of import and exchange restrictions, to finance their import requirements.

Most countries of the area will earn substantial amounts of foreign exchange from tourism, workers' remittances from abroad, and increased borrowing capacity; additional means of financing development projects and imports will come from planned World Bank Group lending. But the most important revenues will come from the tremendous increases in foreign exchange accruing to the Near East oil producing countries. Accelerated development spending financed with oil money will fuel both industrial and consumer demand in the traditional producers—Saudi Arabia, Iran and Kuwait.

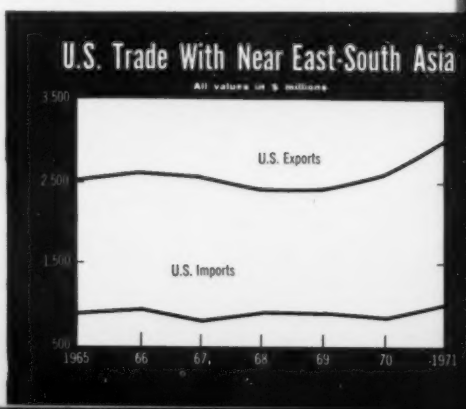
In the more recent producing countries—the United Arab Emirates, Bahrain, and Qatar—development is beginning almost from scratch and they must depend on imports for virtually everything from capital goods to foodstuffs. In addition to equipment and materials, these activities will require substantial engineering, construction, and other services.

Most projects are large

Whether they are for schools, hospitals and municipal water systems or for airports, communications networks and industrial complexes, most projects are large. They require technical skills in which U.S. firms excel and could be particularly succesful if costs are lowered by the use of local contractors.

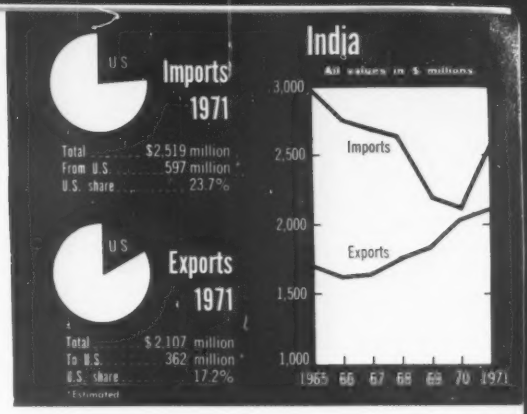
U.S. goods generally enjoy a high regard in this area, although this by itself is no longer a selling factor. This is no longer an easy seller's market; many of these countries have now become strong buyer's markets, increasingly sensitive not only to price but also to product superiority, trade and financing terms, salesmanship, and follow-up services.

In addition to what individual U.S. exporters can do to improve their competitiveness, the U.S. Department of Commerce is stepping up its export promotion program with the opening of a Regional Trade Development Center in Beirut, regional sales campaigns, and trade missions, seminars, catalog shows, and similar services.



India

Economy Continues On Upswing; Desire For Self-Reliance Boosts Total Imports, But U.S. Sales Decline Sharply



Prospects are poor for U.S. sales to India during the coming year.

Due to the current suspension of non-project aid, imports from the United States will decline sharply in 1972. India's total imports, however, are expected by Claude L. Clement of Commerce's Near East-South Asia Division to rise by at least 5 percent as demand increases for industrial raw materials, equipment and technology, sparked by India's desire to expand indigenous production and become more self-reliant.

The economy continues on an upswing in 1972, with last year's sluggish 2.4 percent expansion of industrial production expected to rise to 4 percent. The Gross National Product in 1971-72 reached an estimated $57.4 billion in current prices, up 8.4 percent from the previous year. A similar growth is projected for the fiscal year ending March 1973, depending on favorable crop yields, increased industrial output, and additional export gains.

Record harvest

If self-reliance is being approached in any sector of the economy, it is in agriculture. The 5.2 percent growth in output during 1971 is largely attributable to favorable weather conditions and to continued use of fertilizers and improved seeds. Foodgrain production should rise by approximately 4 percent during the 1971-72 crop year to a record 112 million tons. Since India has ended imports of foodgrains under PL480, U.S. sales of wheat, the largest single U.S. export to India, are certain to decline. Also, Indian imports of U.S. cotton and vegetable oil should fall off significantly.

Among the products imported from the United States that will be least affected by a continued suspension of U.S. non-project aid are high nutrient chemical fertilizers, nonferrous metals, sophisticated machine tools, and telecommunications equipment and components. India, however, is likely to shift to other sources for steel, chemicals, newsprint, and electronic equipment.

India's official reserve position will strengthen the potential for increased imports during 1972. At the end of February, the supply of gold and foreign exchange stood at $1,161 million, an increase of $147 million over the previous year.

Greater import roles

The Government has recently assumed a greater role in the procurement of India's import requirements in 1972-73 with the pre-emption of 56 additional products from the private sector for importation through state trading agencies. In the future it will become increasingly important for U.S. exporters to promote sales of their products to these state trading agencies if U.S. suppliers wish to obtain the largest possible share of the Indian market.

In another area of interest, India will receive more than $300 million in development assistance from the World Bank during the next three years. U.S. exporters will do well to avail themselves of export opportunities resulting from these credits through more effective and competitive response to international tenders issued by agencies of the Indian Government. This will present sales opportunities for such U.S. products as power transmission, irrigation pumps, copper and its alloys, tractors, capital machinery, and plant equipment.

INDIA'S CHIEF IMPORTS FROM U.S.: foodgrains, transport equipment, machinery, metals, soybean oil, cotton. INDIA'S CHIEF EXPORTS TO U.S.: jute fabrics, edible nuts, shellfish, sugar, precious and semi-precious stones, cotton fabrics.

Private foreign investment in India faces increasingly restrictive Government policies in such areas as nationalization and repatriation. The Government has announced, however, that it intends to relax its investment policies in a selected number of basic industries and in export-oriented ventures. The business community nevertheless remains concerned by some of the socialistic policies announced by the Government.

Series of shows

During the months of September and October 1971 the U.S. Embassy in New Delhi presented a series of catalog shows and seminars in the principal industrial cities of India to promote the sale of U.S. food processing and packaging equipment, and underground and open pit mining machinery. During the coming months the U.S. Department of Commerce and the Embassy expect to facilitate the visit to India of three U.S. trade missions to promote the sale of mining, agricultural, and railroad equipment. Additional catalog shows and seminars will be presented to promote American communication, printing, materials handling, and agricultural equipment.

Iran

Sharply Rising Oil Revenues Fuel Economic Boom; U.S. Exporters Share In Surging Import Demand

Iran's rapid economic growth is continuing unabated, strengthening the already strong demand for imported goods and services. Import totals for 1972 are expected by Peter B. Hale, Commerce's Iran Desk Officer, to shoot up over 20 percent from 1971, with sales from the United States keeping pace.

Fueled by sharply rising oil revenues, Iran's economy is bettering last year's strong performance which saw GNP rise an estimated 10 percent in spite of widespread crop failures. Led by the petroleum and industrial sectors, the economy is expected to record a 12-13 percent growth rate this year, in real terms.

U.S. exports to Iran reached $481 million last year, up from $326 million in 1970. Figures for the first four months of 1972 reflect continued strong export growth with $212 million in American sales recorded compared to $108 million during the same period last year. The total should reach $600 million by the end of the year, led by sales of construction machinery, electrical and telecommunications equipment and foodgrains.

U.S. in third place

Preliminary Iranian import figures for 1971, which exclude special category and most foodgrain shipments, reported U.S. imports of $241 million out of total imports of $1.9 billion. This gave the United States 13 percent of the Iranian import market, behind West Germany (24 percent) and Japan (14 percent).

Total Iranian imports for this year should surpass $2.6 billion—a remarkable gain when compared with the 1970 total of $1.7 billion. This rise is made possible primarily by rapidly rising oil revenues, although non-oil exports have shown solid growth. In addition, the growth of foreign exchange revenues has enhanced Iran's ability to attract foreign credits, an important feature of the country's major export transactions.

Industrial imports needed

The demand for industrial imports is at an all-time high and still climbing. The Iranian Government's policy of rapidly utilizing revenues earned from petroleum exports to spur economic development has created an industrial boom. New plants are being built at every turn, and existing facilities are almost universally undergoing major expansions.

Since almost all needed equipment must be imported, the demand for foreign-made machine tools, specialized industrial machinery such as food processing and packaging equipment, textile machinery, heating and refrigeration equipment, and office machinery is very strong. Equally strong is the demand for equipment to bolster the country's economic infrastructure, including construction machinery, telecommunications and electrical equipment and transportation machinery.

The strong demand for U.S. goods was underlined by the success of the recent U.S. Department of Commerce-sponsored exhibition of U.S. industrial machinery, construction equipment, and hospital and medical equipment in Tehran, USIME '72. Preliminary reports give off-the-floor sales of over $5 million with 12 months projected sales of more than $36 million from the week-long show.

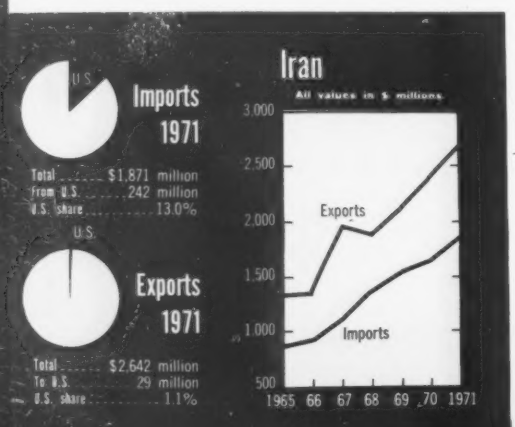
Project approach stressed

The Iranian Government increasingly is turning to a coordinated project approach for the implementation of its economic development plans. Frequently, what this means to interested American firms is that they must join with complementary firms to offer a complete project development package. Very often the key element in the project approach is financing. Although several large projects of this type recently have been covered by loans from the World Bank, others require large scale financing from the supplier country. U.S. firms can look to the U.S. Export-Import Bank in these instances.

Illustrative of the integrated project approach are the two telecommunications projects currently under construction, one with Export-Import Bank financing and the other with a loan from the World Bank. In these instances several firms joined together to bid a complete package for the project.

For those who are investment minded, Iran offers a favorable climate in many industries for foreign investment. Iranian Government officials have expressed their desire for increased foreign investment to provide a needed inflow into the economy of investment capital and technology.

IRAN'S CHIEF IMPORTS FROM U.S.: wheat, soybean oil, aircraft, motor vehicle parts and accessories, industrial machinery, electric power machinery. IRAN'S CHIEF EXPORTS TO U.S.: crude petroleum and products, sheep and lamb skins, edible nuts, carpets, gums and resins, caviar.



Israel

Economic Boom Continues But Inflation Threatens; Import Market Expected To Continue Rapid Growth

U.S. exports to Israel in 1972 will be hard-pressed to exceed the all-time high set in 1971. Bolstered by increasing receipts in tourism and exports, the Israeli market is expected to grow rapidly during the year. U.S. sellers may not be able to cultiyate several sectors of this market, however, because of problems in pricing and Israel's preferential ties with the European Economic Community.

John P. Edwards, Desk Officer for Israel in Commerce's Near East-South Asia Division, reports that the country's GNP grew about 8 percent in 1971, to a level of $5.3 billion. Growth during 1972 is expected to be at approximately the same rate. While these figures are modest compared with the 14 percent rate achieved by Israel during the late 1960s, labor and all available resources are being fully utilized so that a return to those high levels of growth, which were computed off a recession base, seems unlikely.

Inflation is a major problem which must be solved if the growth is to continue. Consumer prices rose over 13 percent in Israel last year, and the rate appeared to be continuing through the first quarter of 1972, rising about 1 percent per month. Continued high rates of borrowing from abroad have done little to stifle the growth in money supply.

Five consecutive years of economic expansion have bolstered the confidence of Israeli businessmen. This confidence is exhibited by investment—1971 saw gross domestic investment rise 17.5 percent in real terms, with more than a doubling of the rate of increase of investment in machinery and equipment, to 18 percent.

It was widely expected that the recent monetary realignments would help to restore U.S. price competitiveness. The U.S. Embassy in Tel Aviv has reported, however, that many American exporters are raising prices, thereby losing the beneficial effects of the devaluation of the dollar. At the same time, European manufacturers appear to be maintaining price levels by absorbing their added costs resulting from the realignment of currencies last December. The competition promises to be even rougher from EEC countries, for in many cases the preferential treatment accorded imports from those countries exceeds the amount of the monetary realignments.

Sizable share of market

The United States has, up to now, maintained a respectable market share in Israel. According to Israeli statistics (which do not include certain types of security-related items which show up in U.S. export figures) imports from the United States in 1971 were $429 million—23 percent of the country's total imports of $1.79 billion. These figures compare with 1970 data of $322 million, 22 percent and $1.45 billion. Bunched deliveries of aircraft and ships to Israel totaled almost $200 million in 1971, of which an estimated $50-60 million was from the U.S.

To restrain a fall in the country's international liquidity position, the Government of Israel in 1970 imposed a prior deposit requirement on all imports for which the rate of duty exceeds 30 percent, and an import surcharge of 20 percent ad valorem on almost all items. The amount of the deposit was recently reduced to 30 percent of the item's value, but both it and the surcharge were extended for further periods.

Partly as a result of these restraints, but also due to an increase in tourism, rapidly rising exports and foreign borowings, the country's foreign exchange position improved by a remarkable 67 percent in 1971, rising from $459 million to $732 million at year's end. And in fact this growth has continued on into 1972, since reserves stood at $1,021 million on April 1.

ISRAEL'S CHIEF IMPORTS FROM U.S.: cereals, soybeans, power generating machinery, electrical power machinery, cars and trucks, aircraft and parts. ISRAEL'S CHIEF EXPORTS TO U.S.: fruits and vegetables, crude metals, clothing, textiles, rubber tires and tubes, diamonds.

Real opportunity

American business has a real opportunity to increase its sales to Israel in selected areas, by concentrating on capital equipment for such advanced industries as electronics, metalworking and fine chemicals. The severe labor shortage in Israel also makes attractive the sale of labor-saving technology in manufacturing and in construction.

Israeli businessmen have expressed extensive interest, for example, in representation and licensing agreements with American firms engaged in prefabricated and modular housing. Typically, the Israeli firm would initially serve as sales agent, gradually moving into local production as the market developed. "Packaged" equipment for hotels also has an attractive potential, given the scope of Israel's tourist boom.

Lebanon

Economy Prospers, Led By Tourism, Trade And Banking; U.S. Sales May Rise To Record Level In Current Year

U.S. exports to Lebanon are likely to rise to a new record in 1972, based on U.S. performance in the market during 1971 and a prediction of growing import demand during the coming year. Led by advances in tourism, trade and banking, Lebanon's economy is prospering. There are practically no non-tariff barriers to selling in this market, which is literally the "show-case" for a vast hinterland, and tariffs themselves are generally low.

These factors, plus the ready availability of foreign exchange, makes this country a seller's dream, according to Commerce's Lebanon Desk Officer, John P. Edwards—if he has a quality product to offer in the market at competitive prices.

Economy sets records

Preliminary indications are that Lebanon's gross national product grew at a rate of about 7 percent in 1971, reaching a level of some $1.8 billion. A similar or even higher rate of growth is expected during 1972.

Tourism is a big factor in this growth; just over a million tourists (not counting Syrians, who are generally either "day visitors" or coming to Lebanon to work) visited Lebanon during 1971. This figure is an increase of almost 25 percent over the previous year, and annual earnings from this activity are estimated to be about $190 million.

The banking sector—another very important area in Lebanon's service-oriented economy — also had a good year. Demand deposits rose from $255 million at the year's beginning to about $350 million at the end, while savings deposits were increasing from $800 million to $1.05 billion. These increases reflect not only the lower rates in the Eurodollar market, but also Lebanon's increasing level of prosperity.

Businessmen have generally reacted positively to this situation. Inventories are being allowed to expand, import orders are up and there is a general feeling of confidence about the future. Based on partial figures, it seems likely that in 1971 Lebanon's total imports were near $700 million—up about $100 million over the year preceding. Exports were also up, from $198 million in 1970 to an estimated $260 million in 1971. The United States supplied about 13 percent of Lebanon's total imports last year; this level has been relatively stable over the last three to five years.

Preferences threatened

Lebanon is one of the most free-enterprise oriented of all nations, and also one virtually wide open to foreign trade. This centuries-old tradition has meant that all commodities and all services are acceptable regardless of source—as long as they can compete. Current negotiations between Lebanon and the European Economic Community, however, may give EEC members a competitive edge in selling to Lebanon. The parties apparently contemplate an arrangement similar to that which the EEC has reached with other Mediterranean countries, which reduces the tariff on EEC-origin goods by a set percentage below the tariff applied to imports from other countries. The effect on U.S. trade of such an agreement would obviously not be beneficial.

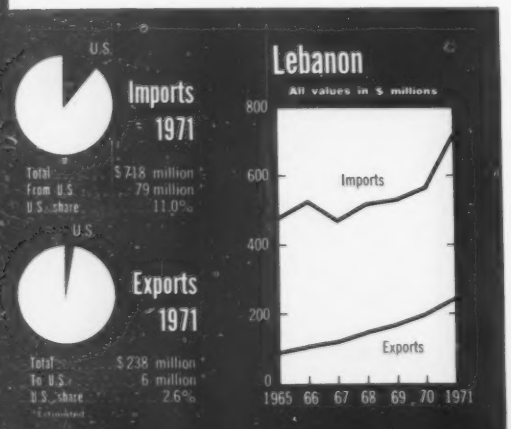
LEBANON'S CHIEF IMPORTS FROM U.S.: cereals, tobacco manufactures, chemicals, power generating machinery, heating and cooling machinery, cars and trucks. LEBANON'S CHIEF EXPORTS TO U.S.: unmanufactured tobacco, hides and skins, wool, textiles, travel goods, handbags.

Lebanon's healthy balance of payments situation is reflected in the foreign exchange and gold holdings of the country's Central Bank, which rose from $386 million on Jan. 1, 1971 to $557 million on Jan. 1, 1972.

Given these favorable conditions, selling in Lebanon has increasingly become a matter of competition—in terms of product quality, aggressive marketing, trade and financing terms.

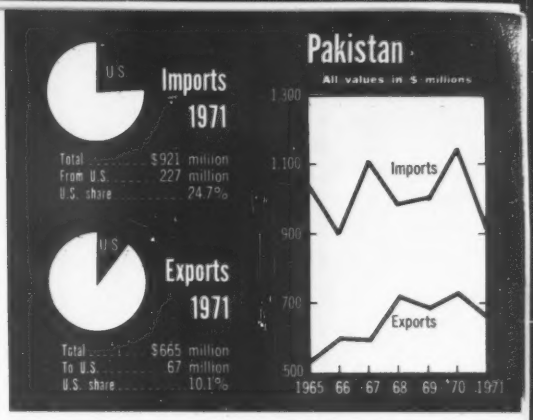
Of particular interest are consumer durables and capital items for light manufacturing. The latter group will see the fastest growth during the years ahead; it has accounted for most of Lebanon's export growth over the past four years.

The Department of Commerce is establishing a Regional Trade Development Center in Beirut in order to help U.S. businessmen take advantage of this booming market —both Lebanon and the surrounding area. Staffed with full-time American and local presonnel and working closely with American embassies throughout the Near East, this Center will coordinate such promotional efforts as exhibits, trade missions, seminars and catalog shows. In addition, extensive commercial information on the region will be available to American business.



Pakistan

Commercial Sales Opportunities Remain Limited, But U.S. Exports May Recover From Recent Decline



The precipitous decline in U.S. exports to Pakistan in the last year is likely to be reversed with the resumption of aid programs. However, Pakistan's depressed economy and severe foreign exchange constraints will continue to limit opportunities for commercial sales, according to Frederic W. Siesseger of Commerce's Near East-South Asia Division.

Political uncertainty and hostilities during 1971, culminating in the separation of the former province of East Pakistan, took a heavy toll on Pakistan's economy. The GNP has stagnated while the country's population of 60 million increases by about 3 percent annually. The economy has been sustained by the large agricultural sector, which was relatively unaffected by recent events.

However, commercial activities are depressed and the industrial sector, which contributes almost 25 percent of GNP, has shown only marginal growth due to serious labor problems, shortage of raw materials, and the general business slowdown. Private sector investment continues to decline in large part as a result of uncertainty over future government policies.

Government actions

The civilian government established in December 1971 has already taken numerous measures directly affecting industry. These include a new labor policy, nationalization of the life insurance industry, strict controls on banking, government takeover of management of 32 large industrial companies, and abolishment of the managing agencies which operated many private businesses.

It is estimated that total imports, which amounted to $756 million in FY 1971, will register a 25 percent decline in FY 1972. Exports, on the other hand, are likely to be at least one third higher in FY 1972 than the $420 million level of the previous year. This sales increase is a result largely of the diversion of cotton textiles and other products previously sold in East Pakistan to other countries, and the depressed domestic market.

Although the trade gap has narrowed, the persistent imbalance between imports and exports is expected to continue. Also, the decline in foreign exchange reserves has halted, but at the low level of about $200 million in total reserves as of March 1972.

Several recent developments provide the basis for some optimism, however. On May 12, the Pakistan Government devalued the rupee from Rs. 4.76 to Rs. 11 to the U.S. dollar, abolished the previous multiple exchange rate system, and introduced measures designed to liberalize import controls. The Aid Consortium agreed in May 1972 to provide short-term debt relief of approximately $234 million. Consortium members pledged new non-project assistance, and promised release of $40 million in the blocked aid pipeline.

As the full range of U.S. development assistance to the Pakistan economy is resumed, it is likely that total imports from the United States will again resume the over $200 million annual average (about the level attained prior to the 1971 hostilities). Already, a $43 million PL 480 agreement has been signed and increasing shipments of wheat, vegetable oil, and other agricultural products under this program will continue. The United States has pledged $75 million, and with the contributions of other donors the total commodity assistance may reach $150 million in fiscal year 1973.

PAKISTAN'S CHIEF IMPORTS FROM U.S.: non-electrical machinery, fertilizers, motor vehicles, aircraft, petroleum, vegetable oils. PAKISTAN'S CHIEF EXPORTS TO U.S.: textile yarn and thread, woven cotton fabrics, raw cotton, rice, leather, floor coverings and tapestries.

Favorable opportunities

Prospects for U.S. exports are better than average for agricultural machinery and agro-related commodities. Other exports will include machinery and transport equipment, chemicals including fertilizers, petroleum, wheat and vegetable oils, and iron and steel. The extent of trade will be limited in part by the chronic shortage of foreign exchange. It is anticipated that commercial opportunities will arise from renewed World Bank and other credits; U.S. suppliers will continue to be disadvantaged by high prices and shipping costs, despite the competitive edge provided by the dollar devaluation.

While Pakistan's announced policy is to encourage foreign investment, recently foreign investors have been faced with increasing practical difficulties and uncertainties aroused by official pronouncements against freedom of business. The outlook for U.S. and other foreign investors will become clearer as soon as the economic social order is better defined.

Saudi Arabia

Country's Imports, Financed By Increasing Oil Income, Expected To Top Billion Dollar Mark For First Time

Saudi Arabia's rapidly climbing oil exports are financing ever higher import levels, which this year will exceed one billion dollars for the first time.

In a recent trip to survey trade prospects, Commerce Desk Officer Richard Loughlin found Saudi Arabia entering a period of dynamic expansion. Capital spending to boost crude oil output is driving imports up, while increased returns to the Government will accelerate development spending for foreign-produced equipment and services; as this new money reaches Saudi agents and contractors, it will stimulate consumer demand which has nowhere to go but to the unrestricted import sector. However, even the most vigorous spending Saudi Arabia might achieve could not utilize her oil revenues as fast as they are coming in.

Climbing 15 percent, the Saudi gross national product reached an estimated $3.6 billion in 1971. Since the rapidly expanding petroleum production accounts for about two thirds of GNP, 1972 growth of 25 percent to a GNP of $4.5 billion could be expected.

Business booming in East

Business already is booming in Saudi Arabia's Eastern Province, where the Arabian American Oil Co. (Aramco) has quadrupled its spending since 1970 to double crude oil production within a few years. A mood of confident but impatient expectation is the rule elsewhere, as merchants and contractors alike wait for new development money. Trading firms already report stepped up sales of construction machinery.

U.S. prices still high

Price effects of the December currency realignment have been mixed in Saudi Arabia, where the riyal maintained its value in gold. Although U.S. industrial goods sold directly to Saudi end-users have become somewhat less expensive, wholesale prices of most American products have been held constant in anticipation of later increases in f.o.b. cost. European prices generally have reflected new parities, but Japanese suppliers have not relinquished their price advantage despite the substantial revaluation of the yen.

The United States remains Saudi Arabia's chief supplier, but the Japanese are making serious inroads in manufactured commodities—in which the United States traditionally has dominated. Having slipped to 18.4 percent in 1970, the U.S. portion of Saudi imports recovered slightly to 19.8 percent in 1971. A further improvement, expected in 1972, will reflect deliveries of civil aircraft, increased Aramco purchases, and more sales to the defense establishment.

These exceptional gains may mask actual deterioration of the U.S. competitive position in a broader range of industrial products and engineering services that will constitute the major growth segment of Saudi imports during the decades of development to come. Among these, air conditioning and refrigeration machinery, communications equipment, construction machinery, vehicles, and materials handling equipment as well as construction, operations and maintenance, and advisory services—all are points of vigorous Japanese and European competition, not only in price, but in quality and scope of followup service as well.

Earlier this year, Saudi Arabia slashed customs duties on a broad range of products *(Commerce Today,* March 6). Since expensive goods are most affected, these changes may slightly improve the American competitive position.

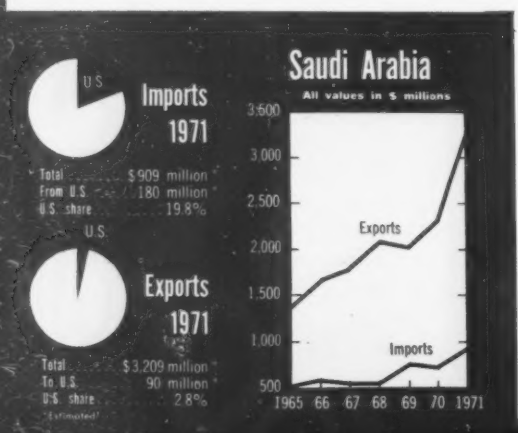
While many nations are avidly competing for Saudi development projects, the more durable market potential of operation and maintenance services is not widely recognized. As the number of delivered projects increases, firms that have established reputations for successful management, maintenance and training, will find all the business they can handle.

Surplus up 1200 percent

As the government's returns from petroleum increased, the balance of payments surplus multiplied more than 12 times to reach an estimated $800 million in 1971. Foreign exchange reserves are now accumulating at the rate of $100 million per month.

The Commerce Department plans two trade missions to Saudi Arabia in the coming year. One mission theme, construction equipment, services, and components, will answer the growing needs of Saudi development. The projected hospital and medical equipment mission will coincide with a sharpening of Saudi emphasis on health services.

SAUDI ARABIA'S CHIEF IMPORTS FROM U.S.: cereals, cars and trucks, pumps, electric power machinery, power generating machinery, aircraft and parts, chemicals. SAUDI ARABIA'S CHIEF EXPORTS TO U.S.: crude and refined petroleum, shellfish.



Turkey

Rising Economic Activity, Improved Payments Position Point Way To Continued Upsurge In Foreign Purchases

A continued upsurge in Turkish imports is anticipated by Commerce Desk Officer Albert J. Planagan in 1972. Imports from the United States should also increase, but at a slower pace, thereby producing further deterioration in the U.S. market share.

The major reason behind Turkey's import growth—a 32 percent rise is forecast in 1972—has been the sharp turnaround in the country's foreign exchange position. Contributing factors are rising Turkish workers' remittances from Western Europe, an outstanding 1971 harvest, and record export earnings.

In a statistical sense 1971 looked good, despite significant political and economic questionmarks. GNP growth exceeded 9 percent (1972 estimate, 7 percent) with both agricultural and industrial output up strongly. Workers' remittances reached an alltime high of $472 million, and exports climbed an impressive 15 percent to $677 million. Gross foreign exchange holdings, which were below $200 million when the lira was devalued in August 1970, exceeded $900 million in April.

Developments blunted

Several dogged problems, however, have blunted these favorable developments. Foremost has been the unsettled political situation. This, coupled with delays and conflicting policy statements by officials concerned with industrial development in a succession of governments, served to reduce investment outlays by both Turkish and foreign firms.

While the private sector was markedly cautious toward new investments, the public sector was unable to invest because of a shortage of local currency at its disposal resulting from rising government wage bills, higher import costs arising from the devaluation, and the usual deficits of state enterprises. These factors also contributed to a 20 percent plus inflation rate during 1971.

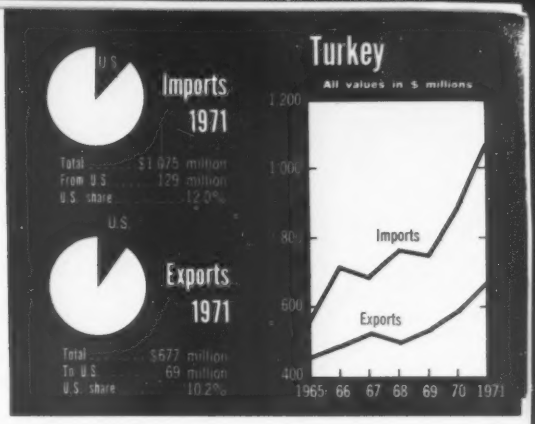
Record imports forecast

Despite continuing uncertainties, a modest revival in public and local private investments has recently appeared. Combined with the increased import needs of Turkey's industrial sector, this should point the way to a record $1.45 billion import year in 1972. U.S. suppliers stand a good chance, therefore, of bettering their sales over the 1971 level of $307 million (including Special Category exports). However, it is unlikely—despite the dollar's devaluation—that they will regain the No. 1 supplier spot lost to Germany last year.

Among the non-devaluation related factors bearing on overall U.S. sales are shifting aid, PL 480, and Special Category exports, as well as the recent Turkey-EEC association agreement.

Several major sales in the offing offer U.S. firms excellent opportunities. Among them: aircraft, textile machinery, steel mill equipment, food processing equipment—especially "freshpack", diesel locomotives and power generating equipment. Some of these, and many other industrial items, will be highlighted in the U.S. pavilion at the 1972 Izmir Fair next month. Another promising sales area is Turkey's burgeoning tourism industry; construction of numerous resort complexes is planned.

TURKEY'S CHIEF IMPORTS FROM U.S.: wheat, iron and steel products, power generating equipment, industrial machinery, aircraft, passenger cars, trucks and spares. TURKEY'S CHIEF EXPORTS TO U.S.: tobacco, edible nuts, chrome ores and concentrates, hides and skins, clothing and accessories.



Additional sales opportunities will become apparent when the Third Five-Year Plan is announced later this year. Effective in 1973, the plan is expected to emphasize basic infrastructure projects such as irrigation and power, as well as continued expansion of industry in order to achieve a 7.5 percent annual growth rate.

Investment considered

There is interest on the part of American firms in investing in Turkey. However, potential investors seem to be deterred by the economic policy and philosophy statements of some responsible Turkish Government officials. This hesitancy is heightened by continued reports of Government demands on existing investors—such as work permit refusals, required exports, delays in profit remittances and price reduction measures.

First indications are that the new Government is willing to look at investment proposals on a case by case basis, in line with the Turkish concepts of Etatism. Basic investment criteria include the introduction of new technology, an export or import substitution capability, and economics of scale. Still unclear is whether or not majority foreign ownership will be allowed.

Africa: Higher Sales Expected

Record U.S. Exports Predicted As Competition Intensifies For $15 Billion Market

The upward trend of U.S. exports to Africa should continue in the second half of 1972.

Although U.S. export growth this year is not expected to equal last year's 11.6 percent jump over 1970, notes James Wilkes of Commerce's Africa Division, record exports of $1,650 million are predicted, compared with 1971's $1,608 million.

Leading markets

The Republic of South Africa, Nigeria, Algeria, Libya, and Zaire should continue as the leading U.S. markets in Africa. In the first four months of 1972 these five countries accounted for 58 percent of total U.S. sales to Africa.

The outlook for many of the other African markets is encouraging. Continuing PL 480 and Commodity Credit Corporation sales coupled with possible aircraft sales to **Morocco** should help keep U.S. exports near the $100 million mark attained in 1971. Replacement of iron ore and petroleum mining equipment in **Liberia** should boost U.S. exports to $50 million in 1972. In **Zambia,** Eximbank financing for mining equipment and the apparent recovery of the manufacturing and construction sectors should push U.S. exports up to $45 million from $38 million in 1971.

The major clouds in the forecast for 1972 hang over **Ghana** and **Kenya.** In Ghana, foreign exchange problems will probably prevent U.S. exports from surpassing the $55 million recorded in 1971. Due to drought and a resulting reduction in foreign exchange earnings, U.S. exports to Kenya in 1972 will probably fall short of the peak of $40 million recorded in 1971. Despite these difficulties, important sales opportunities will continue to exist in both of these countries.

Capital goods accounted for 51 percent of total U.S. exports to Africa in the first four months of 1972. Best prospects for the rest of the year are: mining and drilling equipment, particularly in Algeria, Nigeria, Zambia, Zaire, and Liberia; transportation equipment, especially civilian aircraft and related electronic equipment, in North Africa; and construction and excavating equipment in North Africa, Nigeria, Zaire, and Kenya. Other major sales opportunities include communications and power equipment, food processing machinery, engineering and consulting services, and wheat.

Rising prices for petroleum and coffee should boost the 1972 import capacities of Algeria, Libya, and Nigeria (petroleum), and Ivory Coast, Ethiopia, and Uganda (coffee). Moreover, prices of cocoa and copper, which have been declining for the last two years, appear to have stabilized. This should help support the import capabilities of Nigeria, Ivory Coast, and Ghana (cocoa), and Zambia and Zaire (copper).

Increasing commitments in Africa by the International Development Association, United Nations Development Program, and the U.S. Export-Import Bank, and substantial but slightly lower levels of aid from the World Bank and the U.S. Agency for International Development should assist in sustaining the capacities of many African countries to import increasing amounts of U.S. goods in 1972. The principal sectors of concentration by these agencies for the upcoming months appear to be: AID—transportation (particularly road development); IBRD—transportation, power, and telecommunications; IDA — agriculture and education; and UNDP—education.

New U.S. Government efforts to promote trade with Africa include two trade missions in the latter half of 1972. A trade mission specializing in hospital medical equipment is scheduled to visit Nigeria, Ivory Coast, and Zaire in November. Also, Commerce is cooperating with the Columbus, Ohio Chamber of Commerce in sponsoring a trade mission to Kenya, Zambia and Zaire, Sept. 6-20.

Although U.S. investment is encouraged by virtually all African countries, U.S. firms can expect more emphasis on Africanization of the commercial sector in some African countries in 1972 (e.g., Ghana, Liberia, Nigeria, and Morocco). However, U.S. firms which provide for increased Africanization of their ventures—e.g., joint ventures with African businessmen or government entities and the training of local personnel for technical and managerial positions —can frequently achieve greater governmental support and improved market access. Also, local capital is becoming increasingly available in some African countries from development banks, commercial banks, and private sources.

Competition for the roughly $15 billion African market will very likely intensify. The French and the British will try to increase their commercial edge in many of their former colonies, and the West Germans and the Japanese are expected to broaden their penetration of such key markets as Nigeria, Zaire, Algeria, Kenya, and South Africa. The devaluation of the dollar vis-a-vis the currencies of these competitors should help improve the U.S. position in Africa by the end of 1972.

Algeria

Approval Of Application To Import LNG Into U.S. Signals New Phase in Commercial Relations

Substantially improved export revenues and a projected higher level of official spending for development should boost aggregate Algerian imports to well above the $1.3 billion level for 1972. With 8 percent of the market and excellent prospects for sales of aircraft, agricultural commodities, and construction and mining equipment, U.S. suppliers will probably record sales of $110 million or more for the year, reports Maureen R. Smith, Commerce's Desk Officer for Algeria.

Federal Power Commission approval of the El Paso application for the importation of Algerian liquefied natural gas (LNG) is expected to earn for Algeria close to $150 million in annual dollar receipts over the next 25 years and open a new phase in U.S.-Algerian commercial relations.

The U.S. export stake in this venture alone is estimated to exceed $1 billion. U.S. exporters are also expected to derive more generalized benefits from the government's policy of trade diversification and from additional dollar availabilities derived from pending contracts for natural gas and petroleum deliveries to the energy-hungry U.S. market.

Technology sells

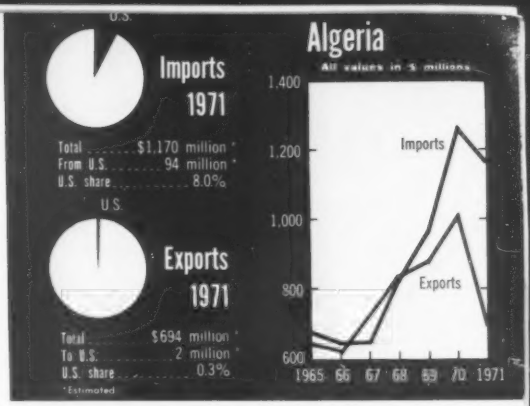
The principal reason for the optimistic forecast is the rising demand for high-technology equipment and associated services generated by Algeria's fast-developing industrial sector. Algeria is moving into the final stage of an ambitious Four-Year Development Plan. GNP rose to $4.4 billion in 1971, with associated investments of almost $1.1 billion. The greatest portion of these expenditures was allocated to projects utilizing advanced technology in hydrocarbons, mining and industry. Building on a sound local reputation for superior technology and quality, U.S. capital equipment and construction and engineering services should continue in demand as the nation moves toward a goal of developed-country status by 1980.

U.S. business involvement in Algeria's important hydrocarbons sector will continue as a key factor in maintaining and expanding U.S. export sales. A U.S. firm holds a $300 million contract for construction of the LNG plant at Arzew which will supply El Paso, and other U.S. firms and their subsidiaries are closely following pending natural gas and petroleum projects which could produce contracts worth an estimated $4 billion over the next few years.

Import downturn ends

Preliminary estimates indicate aggregate Algerian imports of $1,170 million for 1971, only marginally below the $1,257 million figure for 1970. Interrupted oil exports and consequent Government restraints on imports are given as the principal reasons for the decline, which should be only temporary. Government controls on imports have eased appreciably, and 1973 import spending is expected to rise by at least 15 percent.

ALGERIA'S CHIEF IMPORTS FROM U.S.: aircraft and parts, wheat, construction and mining machinery, raw cotton, passenger cars and trucks, power generating machinery, agricultural tractors. ALGERIA'S CHIEF EXPORTS TO U.S.: petroleum and petroleum products, natural gas, rubber tires and tubes.



More complete U.S. Census figures show 1971 U.S. exports to Algeria of $82 million, 17 percent over the previous year's total. The general rising trend appears to have continued into 1972, as the Census data report U.S. exports of $38 million through April, approximately 6 percent over the like 1971 period.

Although aircraft sales, amounting to almost $6 million through April, are substantially reduced relative to the 1971 high, long-term prospects for U.S. sales are favorable as Air Algerie has announced its intention to acquire several more Boeings, with deliveries to resume in May, 1973.

Solid gains

Solid gains in U.S. sales of agricultural commodities, principally wheat, soybeans and raw cotton, should continue through the end of this year. Other product categories with good sales prospects in this market include agricultural equipment, air conditioning and refrigeration equipment, telecommunications apparatus, electrical power equipment, drugs and pharmaceuticals, measuring and control equipment, irrigation and flood control equipment, transportation equipment (including trucks and possibly methane tankers) and office machines and automated data processing equipment.

The availability of Exim funds will undoubtedly enhance the competitive position of U.S. suppliers in these areas and prove an important factor in developing commercial ties wth Algerian enterprises.

Ivory Coast

Continued Economic Expansion Foreseen Through 1975; U.S. Business Activity Growing Despite 1971 Sales Drop

The United States will be in a stronger-than-ever position to expand its share of the Ivorian market in 1972, according to Commerce's Desk Officer for Ivory Coast, Laron L. Jensen. This strength derives from intensified activity by U.S. companies, a growing consumer familiarity with U.S. products, and new export credits from the Export-Import Bank now totaling $95 million.

Expected to continue

Industrial expansion is expected to continue at its 12-year-long, 15 percent annual growth rate as export-oriented industries assume a larger role in the Ivorian economy. Bumper harvests are forecast for coffee and cocoa, although the latter of these major foreign exchange earners suffered heavy world price declines last year. These declines, in turn, cut deeply into the 1972 Ivorian investment budget, which—at $137 million—is down 16 percent from 1971. On the other hand, Government revenues exceed operating expenses and the balance of payments is in surplus.

Ivorian gross domestic product increased by 12 percent in 1971 to $1.6 billion, giving a per-capita level of $312, among the highest in Africa. Inflation, mostly the result of higher prices for imports, is rising at about 4 percent annually. This leaves a real annual GDP growth rate averaging over 7 percent since 1960, and similar expansion is foreseen through at least 1975.

An aura of confidence and prosperity pervades business and government circles despite the government's introduction of "austerity" policies in 1972, for the first time. Cautious expansion will characterize Ivorian development efforts over the remaining life of the 1971-75 Development Plan, as the Government keeps an eye on inflationary pressures. Major investments completed recently include a new deep-water port at San Pedro which will open up the southwest, and the $100 million Kossou Dam, which will double the country's power generating capacity by 1973.

In 1972 construction will continue or commence on several projects, including an Eximbank-financed $64 million sugar processing complex at Ferkéssédougou to be built by Lang Engineering, Coral Gables, Fla. Others include a satellite ground station, textile plant, several hotels, all-weather roads, and agricultural plantations. Construction of the 15-square mile "African Riviera," east of Abidjan, will continue apace. This major real estate project is designed to combine tourist facilities with urban expansion.

Highway improvement rates among prime Ivorian development efforts. Hard-surfaced roads are pushing north and west, opening isolated areas and linking regional centers in an expanding national transport grid. In the southeast, the U.S. Agency for International Development and the African Development Bank have jointly funded a feasibility engineering study of a proposed coastal highway from Abidjan to Accra, Ghana.

Ivory Coast can be expected to retain its traditional trade surplus with the world in 1972, thanks to diversified exports—mainly coffee, cocoa, timber and fish. France will again be Ivory Coast's single largest trading partner, with close to 46 percent of the import market.

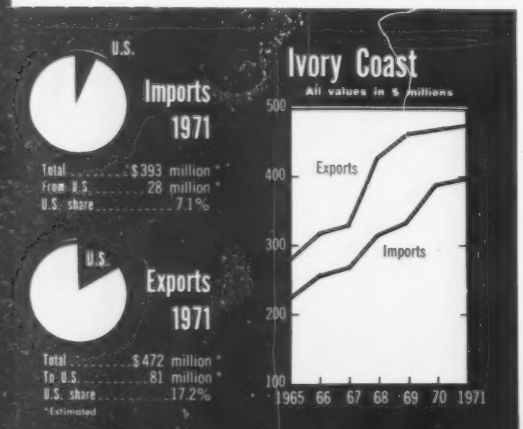
U.S. exporters have proven their ability to penetrate the Ivorian market, when they apply sufficient initiative and pay close attention to quality, after-sales servicing, price and credit arrangements. The U.S. market share declined slightly in 1971 as U.S. sales of $28 million and purchases of $81 million both dropped from their 1970 peak.

Will pick up again

Sales of U.S. products will probably pick up again in 1972, particularly mechanical handling equipment, construction and mining machinery, motor vehicles (especially trucks and farm tractors), air conditioning equipment, and kraft paper. The first of three DC-10 jumbo jets ordered by Air Afrique, which has its headquarters at Abidjan, will be delivered later this year. Semi-manufactures such as cotton and synthetic cloth, aluminum plates, plastics, synthetic organic dye, medicines and pesticides should also find a ready market.

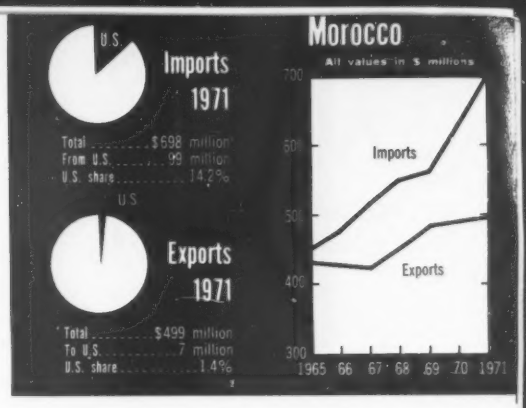
Some 50 U.S. firms now maintain sales offices, or have direct investments, in Ivory Coast. Abidjan is becoming increasingly important as a regional center from which to expand U.S. marketing activities throughout West Africa, particularly among the French-speaking countries.

***IVORY COAST'S CHIEF IMPORTS FROM U.S.:** aircraft and parts, tractors and vehicles, kraft paper and paperboard, mechanical handling equipment, construction and mining machinery, heating-cooling equipment. **IVORY COAST'S CHIEF EXPORTS TO U.S.:** coffee, cocoa, fish, lumber, petroleum products, veneers.*



Morocco

New Development Plan Will Boost Import Demand; Aircraft, Agricultural Products To Lead U.S. Sales



Continuing high yields in the agricultural sector and steadily improving foreign exchange reserves are expected to coincide with the launching of Morocco's new $3.4 billion Five-Year Development Plan to produce substantially higher levels of import demand during the months ahead.

With very good prospects for sales of aircraft, agricultural commodities and industrial equipment, U.S. suppliers are expected to take a substantial share of new Moroccan import orders. The 1972 sales total will probably fall close to the $90 million mark, some 12 percent below last year's level. However, Maureen R. Smith, the Commerce Department's Desk Officer for Morocco, expects recovery to get under way by 1973 at the latest.

Growth targets set

Morocco's current GNP of $3.6 billion represents an increase of 5 percent over the 1970 total, and confident planners are now positing a 7 percent average annual growth rate through the 1973-77 Plan period. The associated rate of import expansion is expected to top 10 percent annually, attributable principally to yearly public and private investment spending aggregating over $680 million.

Major new investment projects under consideration for the Plan include dam construction, irrigation and hydroelectric and thermal power projects that will provide opportunities for U.S. engineering firms, contractors and manufacturers of earthmoving, irrigation and other equipment.

U.S. exporters will be interested in sections of the Plan calling for the acquisition of electric and diesel electric locomotives, shunting engines and other rolling stock, as well as air traffic control and meteorological equipment. U.S. exporters of general industrial equipment and technical services also have opportunities to benefit from Plan proposals for ports and highway improvements and new facilities for cement, synthetic fabrics, phosphoric acid, animal feed, processed food, clothing and steel manufacture.

At the same time, intensified efforts to increase productivity in the vitally important agricultural sector will stimulate demand for agricultural chemicals such as nonphosphatic fertilizers, insecticides and fungicides. U.S. agricultural equipment already enjoys an established reputation in this market and some of the $560 million allocated to this sector will probably be spent on U.S. equipment, particularly if American exporters step up their sales efforts.

Recent wage increases will result in some increase in consumer spending for imports. While the devaluation of the dollar in relation to the Moroccan dirham—as well as to the currencies of principal U.S. competitors — will render many U.S. consumer manufactures more competitive in this price-conscious segment of the market, traditional ties to Europe remain strong, and the bulk of these new sales will probably go to European suppliers, some of them subsidiaries of U.S. firms.

The predicted volume of U.S. sales will build on solid gains recorded during 1971. Census data show U.S. exports for the year amounting to $102 million, a hefty 15 percent increase over 1970. For the first four months of 1972, Census figures indicate a reversal of this trend, however, with U.S. exports of more than $23 million running some 50 percent behind the level registered in the like period of 1971. Lower deliveries of cereals and vegetable oil shipments and aircraft account for the bulk of this drop.

The future looks brighter. For 1972-73, the United States is expected to continue as Morocco's principal source of wheat, as well as an important supplier of oilseeds, vegetable oils, cotton and tallow for Moroccan industry. Royal Air Maroc has indicated its intention to purchase five additional Boeing 727 aircraft, with deliveries to be resumed early in 1973.

Credit is important

Faced with relatively limited foreign exchange availabilities, Moroccan importers and official buying agencies will be according increasing importance to credit terms in making major purchasing decisions. U.S. products should henceforth be more competitive on this point, as a result of a recently-negotiated line of credit from the U.S. Export-Import Bank with the Banque Marocaine du Commerce Exterieur. The Moroccan bank is now able to offer favorable terms to small and medium-sized firms wishing to import U.S. equipment and products.

MOROCCO'S CHIEF IMPORTS FROM U.S.: wheat and wheat flour, aircraft, vegetable oils, cotton, construction and mining equipment, nonelectrical machinery. MOROCCO'S CHIEF EXPORTS TO U.S.: manganese ores and concentrates, fruits and vegetables, leather articles, rugs.

Nigeria

Development Prospects, Trade Liberalization Suggest Continued Upward Trend In Purchases From The U.S.

During the remainder of 1972 Nigeria should prove one of the most attractive African markets. Imports from the United States will continue the upward trend begun in 1969, reaching close to $250 million.

The increase projected by Joanne B. Kay, Commerce's Desk Officer for Nigeria, is primarily due to a combination of fortuitous economic conditions and recent relaxation of trade and exchange regulations. Rising oil revenues, the result of increased productivity and higher prices, have fostered growth throughout the economy and permitted the Government to shorten the mandatory import payments delays.

Present conditions in Nigeria, plus the recent currency realignments, should continue to furnish excellent opportunities for sale of equipment to the construction, transport, power, manufacturing, and oil sectors, as well as the use of engineering and consultants' services.

Nigeria has made a remarkable recovery since the end of its civil war; the outlook is for continuation of this favorable trend. GDP exceeded $6 billion in 1971, approximately a 12 percent increase over 1970. Nearly half-way through the current four-year, $4.5 billion Development Plan, most sectors of the economy, except agriculture, are already in strong positions.

The petroleum industry, source of 70 percent of Nigeria's foreign exchange earnings, raised its output 41 percent in 1971, making Nigeria the world's ninth largest producer. The index of manufacturing production increased by close to 10 percent during 1971. Inflationary pressures and foreign exchange shortages have receded to manageable dimensions, enabling the Government to eliminate the pre-April 1971 arrears on import payments.

Business interest up

Attracted by Nigeria's resources and promising future, foreign businesses are examining the country in growing numbers. Thanks to liberalization of licensing restrictions in 1971, imports rose 42 percent to $1.5 billion, while the U.S. market share, $212 million, registered a 38 percent increase.

Exporters will benefit from recent tariff reductions on raw materials, motor vehicles, and other products. Although the delayed payments system remains in effect, Nigeria is moving towards a current payments basis. Additional imports are payable at sight, while building materials, buses, and spare parts are payable after 90 rather than 180 days. Capital equipment valued at over $152,000 is payable according to an accelerated schedule over a period up to five years. The Nigerian Government has consistently met its obligations for release of foreign exchange.

Large-scale investments under consideration or in the early construction stages offer excellent opportunities to suppliers. Among the major Government or joint ventures with private foreign capital to be undertaken are: improvement of highway, airport, power, and communications facilities; LNG, LPG, and petrochemical facilities; a second oil refinery; petroleum exploration; and motor vehicle assembly. Private projects include: expansion of food, beverage, animal feeds, and plastics plants, and establishment of shrimp processing facilities, hotels, and glass factories.

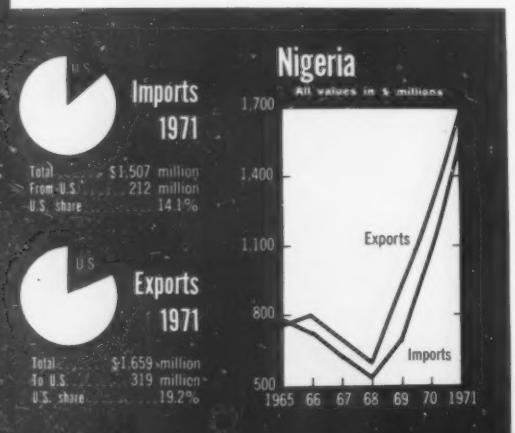
Many investment areas

While investor caution has increased with the exclusion of foreigners from certain sectors, the many areas where foreign investment is welcome are now specified. Company income taxes, moreover, have been reduced to a 45 percent ceiling, while full profit remittances are permitted through 1970.

With the removal of most restraints on imports, Nigeria's improved payments condition, and the number of projects getting underway, energetic efforts by American exporters to establish contacts with reliable Nigerian customers should pay off handsomely. The growth of third-country competition suggests that U.S. suppliers examine Nigeria's potential at the earliest possible opportunity.

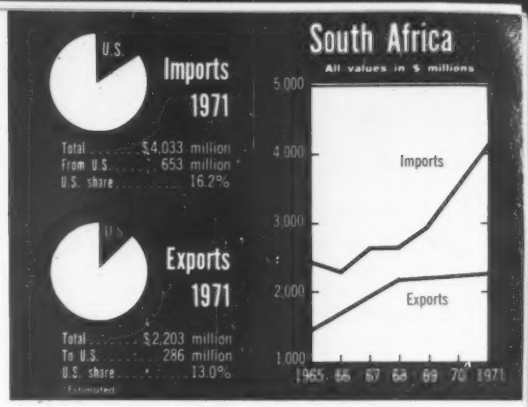
Product categories meriting immediate attention include heavy construction equipment, refrigeration equipment, electronics and communications equipment, power generating and transmission equipment, trucks and aircraft. Longer-term prospects are favorable for licensing advanced U.S. petroleum technology to the National Oil Corporation.

NIGERIA'S CHIEF IMPORTS FROM U.S.: unmilled wheat, construction and mining machinery, pumps and centrifuges, aircraft, iron and steel pipes, mechanical handling equipment, synthetic fabrics. NIGERIA'S CHIEF EXPORTS TO U.S.: petroleum, cocoa, rubber, hides and skins, lumber, spices.



South Africa

Tougher Controls, Devaluation Will Restrain Imports; Balance Of Payments Position Continues To Improve



South African imports for 1972 are likely to be no more than 1971's record $4 billion and could be 4-5 percent less. U.S. exports to that country could be off nearly as much, falling to around $600 million from the $622 million of sales in 1971, according to James T. Doyle, South Africa Desk Officer in the Department of Commerce.

U.S. sales will be affected

Tight import controls and a 12.3 percent devaluation will restrain total import growth. U.S. sales will also be affected by these factors, although not perhaps to the same extent as overall imports.

Gross national product at market prices rose to $18.4 billion dollars in 1971, up about 10.8 percent from the 1970 GNP of $16.6 billion. Real growth, however, was considerably less—about 3.7 percent. This is the third consecutive year in which the rate of real growth has fallen. The pace of the economy is expected to pick up in 1972, and real growth of 4 to 4.5 percent has been predicted.

The expectation of this turnaround in the overall performance of the economy has been reflected in an increase of domestic and foreign business confidence. The rate of foreign investment appears to have accelerated.

The U.S. Government neither encourages nor discourages American investment in South Africa. American firms with or contemplating investments in South Africa should, however, establish employment conditions in their South African plants consistent with the parent firms' U.S. standards. Racially discriminatory practices should be avoided. If South African law renders it impossible to transplant American standards entirely, compensatory programs, such as increased training opportunities or general education grants, should be considered.

The U.S. Government discourages its nationals from investing in South West Africa (Namibia). Prospective investors should be aware that U.S. nationals who invest in South West Africa on the basis of rights acquired through the South African Government since Oct. 27, 1966, will not receive U.S. Government assistance in the protection of such investments against claims of a future lawful government of the territory.

Prices of U.S. products in South Africa rose by about 5 percent as a result of the South African 12.3 percent currency devaluation of Dec. 21. Relative to prices of the products of other countries, however, U.S. products generally became more competitive.

Sales rose, share fell

U.S. exports to South Africa in 1971 rose—for the fifth successive year—to a total of $622 million, compared with sales to this market in 1970 of $563 million. Despite these annual increases, however, the U.S. share of the total South African import market continued its steady decline, falling to 16.3 percent in 1971 from 16.7 percent in 1970 and 17.4 percent in 1969. During these years South African imports from the world increased from slightly less than $3 billion in 1969 (equal to about 19.6 percent of the country's GNP) to slightly more than $4 billion in 1971 (equal to about 21.9 percent of the GNP).

SOUTH AFRICA'S CHIEF IMPORTS FROM U.S.: aircraft, motor vehicles and components, railway locomotives, construction and mining machinery, mechanical handling equipment, organic chemicals. SOUTH AFRICA'S CHIEF EXPORTS TO U.S.: diamonds, copper, shellfish, ferromanganese, platinum, nickel.

Import rules tightened

On Nov. 25, however, the South African Government imposed stringent import restrictions for 1972 and these appear to be having their intended effect of putting a lid on rising imports. Over the first four months of 1972, imports were down 4.4 percent from the same period in 1971. Quota allocations to South African importers for 1972 (as of July 1) amounted to only 30 percent of their actual 1969 imports for general merchandise, 35 percent for textile piece goods, and 25 percent for clothing.

Some prospect for an easing of these tariff restrictions is likely should the South African balance of payments position continue the improvement trend of the past six months. Exports have risen by nearly 28 percent for the first four months of 1972, compared with the same period in 1971. Sharply rising gold prices have increased foreign exchange receipts and have attracted additional foreign investment. Just prior to devaluation, reserves were falling at a rate of $16 million a week. Since then they have increased at a rate of $12 million a week. The South African Government is now predicting that foreign exchange reserves might rise to $1.33 billion by the end of 1972.

Zaire

Lower Import Totals, Both From U.S. And Other Sources, Foreseen For 1972 As Economic Expansion Slows

Reduced economic growth, declining foreign exchange reserves, an unfavorable balance of payments and selected import controls —all of these factors add up to a lower 1972 overall import total for Zaire, the former Congo (Kinshasa). After several years of steadily increasing import levels, from $474 million in 1969 to $693 million in 1971, Zaire's economic indicators point to limited business expansion—and lower import requirements—through the remainder of this year. U.S. exports to Zaire of $84 million in 1971 may be reduced by as much as 20-25 percent in 1972.

Reflecting Zaire's slower economic expansion, the country's gross domestic product rose less than 5 percent in 1971 to $1,822 million compared with a 10 percent growth rate in 1970 ($1,741 million) and a 9 percent increase in 1969 ($1,580). No more than a 5 percent growth rate is predicted for 1972.

Controlled imports

According to Susan P. Hansen, Commerce's Zaire Desk Officer, the most difficult obstacles to increasing U.S. exports to Zaire as of mid-1972 are the several controls which the Zairian Government has instituted in an effort to dampen the country's total import flow and conserve foreign exchange.

Significant among these measures is a ruling by the Zairian National Bank, known as Circular 139, which requires most imports—as of March 1, 1972—to be invoiced at an export price 3 percent lower than the lowest price charged in 1971. However, since the measure is also designed to stop the practice of inflated invoicing through European middlemen, local importers in Zaire can apply for exemptions by furnishing statements to the Bank of Zaire that their shipments have been invoiced directly to their Zairian destination with no intermediate commission on markup added along the way.

American companies with sales offices, agents or distributors in Zaire should be ready to provide their representatives with such information, as well as details of past and present prices and any other reasons for inability to meet the Circular's lower price provisions. Other exceptions to Circular 139 are shipments valued at $400 or less in customs categories 84-86 and 88-91; shipments under official assistance programs, and sales for projects covered by Zaire's Investment Code.

Other import-restricting measures are higher customs duties for luxury goods (cigarettes, expensive durables, etc.) and a temporary 5 percent import surcharge on about 60 percent of all imports. Further details on any of these three measures as they affect individual product categories may be obtained from the Africa Division-884, BIC, U.S. Department of Commerce, Washington, D.C. 20230.

Brighter 1973 outlook

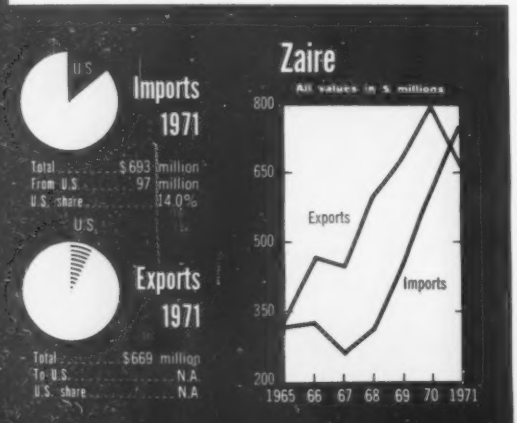
Apart from the problems created by the import controls, the slowdown in Zaire's economic progress appears to have "hit bottom." By the end of 1972—but most likely by the beginning of 1973—favorable factors, such as a projected increase in foreign exchange availabilities from expanded copper output and the Zairian Government's energetic efforts to modernize transport links and expand agricultural output, should generate increased requirements for imports.

Some of the most attractive categories offering U.S. salesmen future prospects are agricultural equipment; food processing and packaging equipment, particularly for fish, poultry, vegetables and dairy products; road construction machinery; airport systems; portable communication units; and electrification machinery, including small packaged plants for rural areas.

Effort to promote sales

In an effort to promote sales of other promising commodities in the Zairian market, the Commerce Department's trade promotion calendar in Zaire for the next 12 months includes a technical seminar on the mining industry and related equipment, a catalog show featuring building supplies and construction machinery, a specialized trade mission for exporters of hospital and medical materials, an Industry organized - Government approved trade mission sponsored jointly by the Commerce Department and the Columbus, Ohio Chamber of Commerce, and participation in the Kinshasa International Trade Fair, which is scheduled to be held in late June-early July 1973.

ZAIRE'S CHIEF IMPORTS FROM U.S.: *aircraft, railway locomotives, construction and mining machinery, passenger cars and parts, mechanical handling equipment, heating and cooling machinery.*
ZAIRE'S CHIEF EXPORTS TO U.S.: *coffee, base metals, palm oil, rubber, zinc, manganese ores.*



U.S. Share Of Imports Into Selected Countries

Area and Country	1970 Imports			1971 Imports January through latest month			
	From world (million dollars)	From U.S. (million dollars)	U.S. share %	Latest month	From world (million dollars)	From U.S. (million dollars)	U.S. share %
Latin America							
BARBADOS	118	25	21.0	May	52	11	22.0
DOMINICAN REPUBLIC	307	163	53.0	Dec.	358	186	52.0
GUADELOUPE	128	7	5.5	Oct.	91	6	6.5
GUYANA	134	31	23.4	Nov.	119	30	25.0
MARTINIQUE	146	8	5.6	Oct.	117	5	4.5
PANAMA	353	139	39.3	Sept.	285	(1)	(1)
PARAGUAY	76	18	23.4	Dec.	83	21	25.5
URUGUAY	233	30	12.9	Nov.	203	22	11.0
Western Europe							
ICELAND	157	13	8.1	Dec.	221	32	14.7
IRELAND	1,569	110	7.0	Dec.	1,834	158	8.6
MALTA	161	6	3.8	Sept.	115	5	4.6
NORWAY	3,702	269	7.3	Dec.	4,082	244	6.0
PORTUGAL	1,582	113	7.1	Dec.	1,772	122	6.9
Far East							
FIJI	115	5	4.4	Dec.	128	5	4.0
KHMER REPUBLIC (CAMBODIA)	54	4	6.9	Nov.	53	3	5.7
LAOS	114	28	24.3	Mar.	22	3	15.1
MALAYSIA[2]	1,111	90	8.1	Nov.	1,016	64	6.3
NEW CALEDONIA	230	17	7.2	Dec.	233	12	5.3
VIET-NAM, REPUBLIC OF	550	257	46.7	Apr.	192	86	44.7
Near East-South Asia							
BURMA	169	10	5.8	Dec.	94	(1)	(1)
CYPRUS	236	16	6.7	Dec.	174	15	8.4
EGYPT	787	48	6.1	Aug.	665	39	5.9
IRAQ	510	18	3.6	May	240	11	4.4
JORDAN	184	21	11.2	Dec.	205	41	20.2
KUWAIT[3]	625	83	13.3	Dec.	678	(1)	(1)
SRI LANKA (CEYLON)	389	22	5.7	Aug.	234	9	3.8
SYRIA	360	12	3.4	June	191	14	7.5
Africa							
ANGOLA	368	40	10.9	Nov.	389	45	11.5
CAMEROON	244	19	7.7	June	131	10	7.6
CHAD	62	3	4.0	Mar.	15	1	4.4
DAHOMEY	64	3	5.4	Mar.	17	(1)	(1)
ETHIOPIA	172	15	8.5	June	92	7	7.4
GABON	80	9	11.2	May	31	3	9.8
GHANA	411	74	18.1	Apr.	167	25	14.9
KENYA	398	33	8.4	Nov.	476	44	9.2
LIBERIA	150	46	31.0	Dec.	157	(1)	(1)
LIBYA	555	76	13.8	Dec.	750	77	10.3
MALAGASY	170	10	5.7	Dec.	213	10	4.9
MALAWI	97	5	5.2	Sept.	92	4	4.5
MAURITIUS	76	4	5.7	Sept.	64	(1)	(1)
MOZAMBIQUE	326	32	9.7	Sept.	245	15	6.0
REUNION	161	2	1.2	Dec.	171	(1)	(1)
SENEGAL	193	9	4.8	Sept.	154	9	6.0
SIERRA LEONE	116	9	8.0	Dec.	113	9	8.0
SOMALIA	45	4	7.9	Nov.	57	4	7.3
SUDAN	311	8	2.6	Sept.	260	7	2.5
TANZANIA[4]	271	23	8.6	Nov.	309	15	4.7
TOGO	65	4	5.7	Nov.	60	3	5.4
TUNISIA	306	52	16.9	Dec.	343	50	14.6
UGANDA	121	7	6.0	Nov.	175	13	7.6
UPPER VOLTA	47	2	4.6	Dec.	51	(1)	(1)
ZAMBIA	544	51	9.4	June	292	31	10.7

Note: The selected countries are those whose total imports are valued at $50 million or more and are not covered in the country articles in this issue. In order to present comparable statistics for all countries import data have been adjusted from an f.o.b. to a c.i.f. valuation for Dominican Republic, Malawi, Panama, Paraguay (imports from U.S. only), and Zambia.

[1] Not available. [2] West Malaysia only. [3] Excludes oil company imports. [4] Excludes Zanzibar.

Sources: Official trade statistics of listed countries. International Monetary Fund, *International Financial Statistics*.

Country	Currency Units	Value in	a $	b S	c Bfrs	d Dkr	e Ffrs	f DM	g £	h Lt	i Hfl	j Nkr	k Esc	l Ptas	m Skr	n Sfrs
1. United States	Dollars ($)			23	44	7	5	3.15	0.41	580	3.17	6.50	27	63	5	4
2. Austria	Schillings		4.40		195	31	22	14	1.80	2,600	14	29	120	280	22	18
3. Belgium	Belgian Francs [1]		2.28	52		16	11.40	7	0.93	1,300	7	15	60	145	11	9
4. Denmark	Danish Kroner		14.35	330	630		72	45	5.85	8,300	46	95	385	910	71	57
5. France	French Francs		20	460	880	140		63	8	11,600	63	130	540	1,260	100	80
6. Germany	Deutsche Mark		31.70	730	1,400	220	160		13	18,400	100	200	850	2,000	157	125
7. Great Britain	Pounds (£) [2]		2.44	56	107	17	12	7.70		1,420	7.70	16	66	155	12	10
8. Italy	Lire (Lt)		1.72	40	76	12	8.60	5.45	.70		5.45	11.25	46	110	8.60	7
9. Netherlands	Holl. Florins		31.50	750	1,575	220	170	100	12.60	18,900		214	850	2,030	157	122
10. Norway	Norw. Kroner		15.40	355	675	105	75	48	6.25	8,900	49		415	970	75	60
11. Portugal	Escudos		3.75	90	170	26	20	12	1.55	2,200	12	25		240	20	15
12. Spain	Pesetas		1.59	37	70	10	8	5.20	0.65	950	5.50	11	43		8	6.50
13. Sweden	Swedish Kronor		21.10	490	940	145	105	66	8.60	12,250	68	138	570	1,350		85
14. Switzerland	Swiss Francs [3]		27	620	1,180	190	135	85	10	15,600	85	175	725	1,700	135	

[1] Used also in Luxembourg. [2] Used also in Ireland. [3] Used also in Liechtenstein.

Conversion Values Of European Currencies Itemized

A handy table for businessmen and travelers has been prepared, in conjunction with this World Trade Outlook issue, by Paul A. Mayer, of the Office of International Trade Promotion, BIC.

The table shows the value of the dollar in terms of principal European currencies, the value of these currencies in terms of dollars, and the value of all currencies listed in relation to each other.

Thus, the table can be used to answer the following questions:

► How many European currency units will one dollar buy? Example: $1 will purchase 44 Belgian francs (Bfrs.); see line 1, column c;

► How many dollars can be bought for 100 currency units of a given European country (or, respectively, for £1, or for 1,000 lire)? Example: for 100 Belgian francs, you can buy $2.28; see line 3, column a;

► How many currency units of a listed country will 100 currency units of another country (or, respectively, £1, or 1,000 lire) buy? Example: 100 Belgian francs will buy 11.40 French francs or 7 German marks or 54 Austrian schillings; see line 3, columns e, f, and b;

► How many currency units of a listed country will buy 100 currency units of another country (or, respectively, £1, or 1,000 lire)? Example: To buy 100 French francs, you have to spend 880 Belgian francs (line 5, column c); to buy 100 German marks, you have to spend 1,400 Belgian francs (line 6, column c); and to buy 100 Austrian schillings, you have to spend 195 Belgian francs (line 2, column c).

Suppose a U.S. businessman at the end of a visit to Belgium has a 1000-Belgian-franc bill left in his wallet. Looking at line 3 of the table, he finds that he can get $22.80 for that bill (column a); if he travels from Belgium to Germany, he need not change his Belgian money first into dollars and then into German currency—he can change it directly into 70 German marks (column f); and should he travel from Belgium to France, he can change his 1,000 Belgian francs directly into 114 French francs (column e).

Desk tool only

Some figures are rounded off, with a maximum inaccuracy of 5 percent. The table, current as of July 1972, is intended to serve merely as a rough desk tool. For close financial calculation, up-to-the-minute information should be obtained from banks or other financial institutions specializing in foreign exchange.

Calendar For World Traders

July 28—San Francisco — Alexander Rattray, Economic Officer, Tehran, available for consultation. Returning to Tehran.

Aug. 8 — Chicago — International trade meeting, Field Office.

Aug. 8—Chicago—Midwest Credit Management Assn.

Aug. 9, 10— New Orleans—Albert Zucca, Commercial Attache, Nairobi, available for consultation. Returning to Nairobi.

Aug. 14 — Seattle — U.S.-USSR Trade Seminar, World Trade Club of Seattle. Washington Athletic Club, 9 a.m.

Aug. 14-16 — Washington, D.C. — Seminar on Business-Government Relations in Intl. Trade and Investment, Georgetown U.

Worldwide Business Services

International trade specialists in the Department of Commerce and Foreign Service Officers in the U.S. Embassies and Consulates around the world are continually developing specific commercial opportunities through which American companies can find buyers, agents, partners or investors overseas. One of the major means for communicating these opportunities promptly and accurately to the U.S. business community is through the columns of this magazine. Details on licensing and joint venture proposals, opportunities to sell to foreign firms and government agencies, and appoint agents, and on major construction and expansion projects and U.S. visits by foreign buyers are presented in this section.

Licensing, Investment Abroad

SUDAN—0100—Government seeks proposals from U.S. firms for joint participation in a **vegetable exporting project** and a fully **mechanized short and medium staple cotton growing project.** Dr. Wadie Habashi, Minister of Agriculture, P.O. Box 285, Khartoum, Sudan or American Interests Section, c/o Royal Netherlands Embassy, P.O. Box 699, Khartoum, Sudan. P-72377.

FRANCE—3559—License to manufacture **turbines/aerators for water treatment systems.** Firm presently produces mechanical transmission components; agitators for chemical, petroleum and food industries. Is member of major French group with diversified industrial activities. Employs 8,000 in Nancy facility. Jacques Paris, Director, Mechanical Units, Pont-a-Mousson S.A., 91 Avenue de la Liberation, 54-Nancy, France. WTD. P-72378.

FRANCE—2834 — **Manufacturing rights for newly developed prescription pharmaceuticals.** Firm specializes in production of pharmaceutical products such as ampoules, tablets, suppositories, aerosol sprays and creams. Employs 380. Mr. Tourdjman, Specialties Department, OPODEX S.A., 18 rue Raymond Ridel, 92-La Garenne-Colombes, France. WTD. P-72379.

MALTA—2800—Licenses or joint venture to produce, process and package **cosmetics, chemicals and plastic products.** Cost of project estimated at $50,000; about 90 percent of output would be exported. Sought of U.S. firm is capital, machinery and technical know-how. Maltese company imports and distributes paints, textiles and plastics. C. J. Frendo Ltd. (C.J.F.L.) of 16, Flat 4, Capuchins St., Floriana, Malta. WTD. Additional information available from the Office of International Investment, BIC-878, U.S. Dept. of Commerce, Washington, D.C. 20230. P-72380.

Programs of the Overseas Private Investment Corporation (OPIC) are available for Malta.

SWITZERLAND — 2834 — Licenses to manufacture **pharmaceuticals.** Interests include antibiotics used in parasitic and infectious diseases, preparations for the treatment of heart and circulatory diseases and specialities for the digestive system. Also wants to make products for external treatment of rheumatism, skin diseases and eczema. Interested in patented products which could be marketed throughout Europe and the Middle East. Firm operates highly automated pharmaceutical facility; has extensive sales organization in Europe. Close ties with Middle East distributors. Mr. Scherr, Dr. Grossmann AG, Binningerstr. 95, 4123 Allschwil, Switzerland. WTD. P-72381.

INDIA—2833—Joint venture to process **guar gum.** Seeks technical assistance, equipment. Proposed capacity 30 metric tons of guar seeds daily. Estimated cost of project is $572,000. Mr. R. J. Patel, Chief Project Officer, Gujarat Agro-Industries Corporation Limited (GAICL), Khet-Udyog Bhavan, Opposite High Court, Navrangpura, Ahmedabad 14, India. P-72382.

ITALY—3433—Licenses to manufacture **incinerators for gases, liquid and solid waste disposal units for refinery and petrochemical plants and municipal incinerators.** Firm designs and erects industrial furnaces and thermal plants especially for the petrochemical industry. Dr. Paolo Pinacci, Technical Manager, Kirchner Italia, Via A. Ressi 17, 20125 Milan, Italy. WTD. P-72383.

ITALY — 2834 — Pharmaceutical firm seeks joint venture to expand activities. U.S. partner offered majority equity. Italian concern produces agar; pharmaceutical specialties such as vitamins, laxatives, suppositories and tonics. Employs 18. Savoma Medicinali S.p.A., Via Baganza 2, 43100 Parma, Italy. WTD. P-72384.

SWITZERLAND—3821—Distributor and licensor of civil engineering and geophysical instruments seeks manufacturing licenses for U.S. **geophysical equipment and road testing apparatus or any advanced equipment sold to road building agencies and contractors.** Firm would manufacture in Europe through subcontractors. MAP AG, Theaterplatz 8, 3000 Bern, Switzerland. Attn: Jean-Claude Gressin, Managing Director. WTD. P-72385.

ICELAND—0989—Large machinery importer wants to establish a commercial **fresh water fish hatchery operation.** Property includes a large lake adjacent to the ocean subject to tides and a source of underground thermal water which reportedly would be more than adequate to heat several ponds for trout, salmon or other species. Ingimundur Sigfusson, Hekla h.f., Laugavegur 170-172, Reykjavik, Iceland. WTD. P-72386.

SWITZERLAND—3548, 3670—Distributor of automotive parts and accessories interested in diversifying into such related lines as **automotive maintenance and diagnostic equipment, and electronic components,** proposes joint venture. Proposal calls for U.S. partner to have minority participation and use Swiss company as its sales organization in Europe. Firm founded in 1922, employs 120 including 19 salesmen, and reports annual sales around $5 million. Office of International Investment, BIC-878, U.S. Dept. of Commerce, Washington, D.C. 20230. WTD. P-72388.

GERMANY — 2071 — Firms seek to manufacture under license new products **using walnuts, hazelnuts, almonds or popcorn.** Salted products, candy, glazes and pastes are of interest. Currently manufactures nut products; wholesaler and importer of dried and fresh fruits. Herbert Habermann, Karl Reichl, D-8000 Muenchen 70, Zielstattstrasse 33, Germany. WTD. P-72389.

ARGENTINA—2037—Medium-sized corporation seeks licensing agreement with American manufacturer of **frozen vacuum packed fresh peeled potatoes.** Prospective licensor should be able to supply technical information on marketing frozen foods at retail level. Firm presently manufacturing acrylic products. Acrilicos Rio de La Plata S.A.C.I.F., Hipolito Yrigoyen 3160, Buenos Aires, Argentina. WTD. P-72390.

AUSTRALIA—2000—Large public company seeks licensing agreements with U.S. firms to manufacture **supermarket or grocery products and foods in the broad SIC classification 2099 and other unspecified food product areas.** With over 4,000 employees and a 1971 group net profit after tax of over $3 million, this company has an excellent growth record and is one of the largest firms in the food industry in Australia. Present operations include the manufacture and distribution of a wide variety of food products, many of them market leaders. Market Research Manager, Box: 3848, G.P.O., Sydney, 2001 Australia. WTD. P-72391.

UNITED KINGDOM—3569—License to manufacture **crushers, grinders and compaction equipment for solid refuse disposal.** Particularly interested in machinery which can handle from 10,000 lbs. to 100,000 lbs. per hr. of refuse. Firm currently makes chemical machinery, freight containers and gasoline storage tanks. Employs around 710. P. J. November, New Products Manager, Adamson & Hatchett Ltd., Dukinfield, Cheshire, England. WTD. P-72392.

UNITED KINGDOM—3573—Licenses to

manufacture **computer peripherals** sought by designer and producer of such peripherals as interface between Kimball tag reader and high speed teletype punch, and multiple store bookkeeping and invoicing systems. Also assembler of printers and magnetic drum systems. Firm founded in 1968, has annual turnover around $160,000, employs 17 and plans on doubling plant floor space within six months. Dicoll Electronics, Portman Road, Reading, Berkshire RG3 1ED, England. Attention: Brian Collier. P-72393.

AUSTRIA—1511, 8911—Established construction company seeking joint ventures with **U.S. architectural and/or construction companies.** Austrian regulations require contracting companies to hold a valid license which is issued only to Austrian nationals. Considerable boom in commercial, public and residential building offers good potential for U.S. construction companies. Baumeister Ing. Franz Netroufal, Anton-Langergasse 23, A-1130 Vienna, Austria. WTD. P-72394.

KOREA—3250, 3269—The Korean government's Ministry of Commerce and Industry (MCI) plans on developing Korea's pottery and porcelain industry by establishing 15 new firms at a cost including $29 million in foreign exchange. Expressions of interest by U.S. investors and importers in this development are welcomed. Further information and an MCI brochure "Korean Pottery Industry: Today and Future" can be obtained by writing: Jae-Han Park, Chief, Inorganic Chemistry Section, Ministry of Commerce and Industry, Seoul, Korea. P-72395.

BELGIUM—3440—Manufacturer of railroad rolling stock and assembler of automobiles seeks joint venture including capital and know-how for the **production of items made of heavy steel sheets (up to 20 mm) such as rolling bridges, boilerwork, agricultural machinery, containers,** etc. Will consider having American company take a majority interest. Industrial Section, Consulate General of Belgium, 50 Rockefeller Plaza, Suite 1104, New York, N.Y. 10020. P-72396.

GERMANY—3449 — Established manufacturer of steel door and window frames desires licenses to manufacture **prototype steel (light metal) constructions for schools and sports areas.** Company has large modern manufacturing plant. Artur Perr, Stahlbau Gebr. Perr, 8070 Ingolstadt, Auto-Union-Strasse 12, Germany. WTD. P-72397.

ARGENTINA—3599—Producer of locomotive lubrication systems seeks license to manufacture **oil filters for automobiles.** Managing partner of firm is visiting U.S. in August to discuss terms with potential licensors. Talleres Meisen S.R.L., Villa de Lujan 2501, Remedios de Escalada, Provincia de Buenos Aires, Argentina. Attention: Eduardo O. Meisen, Managing Partner. WTD. P-72398.

INDIA—2800—State corporation seeks technical assistance, turnkey plants to manufacture **chemicals.** Plans to produce (1) **soda ash,** (2) **ammonium chloride** each with 200 ton daily capacity using modified solvay-dual process and (3) **sodium tripolyphosphate,** annual capacity 10,000 metric tons. Interested U.S. firms should respond to projects 1 and 2 by September 1. No due date specified for project 3. For further details write A. S. Chatha, Managing Director, Punjab State Industrial Development Corporation, Ltd. (PSIDC), United Commercial Bank Bldg., Sector 17-B, Chandigarh, India. P-72399.

ARGENTINA—3570 — Manufacturer of electrical cash registers and distributor of office machines seeks technical know-how for production of **punched card sorters and punched tape readers.** Rod-Maq, S.R.L., Av. General Paz 7690, Buenos Aires, Argentina. WTD. P-72401.

THE NETHERLANDS—3559 — Licenses or joint venture to manufacture **specialized equipment for chemical, petrochemical and refuse treatment industries.** Major boiler producer wants to diversify. Present line includes low and high pressure boilers, fluid bed dryers, gasification units, heat exchangers and refuse treatment equipment. Operates three plants, has sales and service facilities. Exports 50 percent of production. Is affiliate of large Dutch holding company. President of firm plans to visit U.S. in August to meet interested American firms. Mr. W. Th. van Wijk, President, Bronswerk P.C.E.S., Amersfoort, Netherlands. Further information available from Office of International Investment, BIC-878, U.S. Dept. of Commerce, Washington, D.C. 20230. WTD. P-72376.

UNITED KINGDOM—3451—License or joint venture sought by established producer of industrial fasteners to manufacture such mechanical fasteners as **screws, but only where the screws form part of a labor saving system, such as chain of screws that can be fed into a gun which inserts, bites off single screws and screws them into place.** Firm is a U.K.-Danish partnership with two plants, around 100 employees and 10 salesmen. Foss Fasteners Ltd., Flat 6, 59 Devonshire St., London, W1, England. Attn: T. D. Playle, Managing Director. P-72349.

GERMANY — 2241, 3691 — Licenses sought to manufacture any product which would fit in with firms present production of **storage batteries, rolled and extruded lead products, mechanical rubber goods, and bare rubber thread.** Established in 1827, firm reportedly employs 650, and has annual sales of over $12 million. Hagen AG, Gottfried, 95/101 Rolshoverstrasse, 5 Koeln-Kalk 91, West Germany. WTD. P-72350.

FRANCE—3662—Producer of teaching machines, commercial television equipment, industrial controls, communication equipment, and fire control and detection equipment wants licensing rights to manufacture **cable television distribution equipment.** Firm employs 150 plus 6 salesmen and has annual sales around $24 million. VELEC SEFAT-Departement Electronique-Vandeputte Fils & Cie, 278 Chaussee F. Forest, 59-Tourcoing, France. WTD. P-72351.

NETHERLANDS—2800 — U.S. firm is offered majority interest in plant producing **intermediates for chemical, pharmaceutical and insecticide industry.** Value of facility estimated at $3 million. Located in central Holland. Executive of firm plans U.S. visit this month to meet with interested companies. L.F. J. Bake, c/o Netherlands Chamber of Commerce in U.S., 1 Rockefeller Plaza, New York, N.Y. 10020, or Chemimpo N.V., 158 Buitenveldertselaan, P.O. Box 1506, Amsterdam. WTD. P-72352.

NIGER—2649—Development Bank seeks quotes on a contract to build and equip **paper products plant.** Articles to be produced include notebooks, flimsies, fillers for looseleaf binders and file folders. Production capacity 540 tons annually. D. Gonthier, Banque de Developpement de la Republique du Niger, B.P. 227, Niamey. P-72355.

German 'Luneplate' Area Seeks American Investors

An organization representing an area known as "Luneplate" comprising 12,500 acres of the Lower Weser River-Jade Bay Region of the German North Sea Coast is seeking contacts with American companies considering the establishment of new industries and import-export enterprises. Plans for the economic development of "Luneplate" have been drawn up by the States of Bremen and Lower Saxony which can be adapted to the needs of interested parties. An attractive brochure describing the facilities of this area is available from the society promoting its economic development: Dr. Karl Loebe, Weser-Jade GmbH, P.O. Box 1861, 28 Bremen, Germany. P-72387.

Licensing and investment proposals from foreign firms are listed in these columns. Specific product interests in each proposal are highlighted in bold type to facilitate identification and each proposal is preceded by the appropriate four-digit product number taken from the Standard Industrial Classification (SIC) Manual.

Background information on opportunities abroad and assistance on overseas investments are available from the Office of International Investment, BIC-878, U.S. Department of Commerce, Washington, D.C. 20230. "P" numbers should be used when responding to specific proposals.

For additional information on opportunities to manufacture foreign firm's products in the U.S. described under "Licensing In U.S.", write Commerce's Office of International Investment, BIC-874, or call 202-967-2248 referring to the File Number assigned each opportunity.

WTD indicates that a World Trade Directory Report containing financial and background information on the foreign firm is available for $2 from the Department of Commerce, BIC-924, Washington, D.C. 20230, or from any Commerce Field Office.

Licensing In U.S.

For additional information on opportunities to manufacture foreign firms' products in the U.S., write Commerce's Office of International Investment, BIC-874, U.S. Department of Commerce, Washington, D.C. 20230 (202-967-2248), referring to the appropriate file number assigned each opportunity listed below.

ENGLAND — An established English company in business for over 30 years would like to make a manufacturing license arrangement with a U.S. firm to make their plastic baby carriage rain shield which they have patented. **File 2226**

GERMANY — An established German manufacturer of polytetrafluorethylene (PTFE) and fluorinated ethylene propylene (FEB) products wishes to make a manufacturing licensing arrangement with a U.S. manufacturer to make their non-lubricated teflon bearings and their polyester pipeline systems with teflon liners. Most of the products now made by the company include sheets, tapes, films, tubes, rods, etc. using PTFE and FEP and consumer and commercial fluoroplastics (wire cable, coated glass fabrics, etc.). **File 2227**

GERMANY—A German firm wishes to license the manufacturing of—a) Dust storing filters to separate dust from gases for high, medium and low pressure (as special product in this line for temperatures up to 600 degrees C.); b) Pressure filters (steam filters) against smallest degree of pollution guaranteeing best possible purity of the steam for temperatures up to 600 degrees; c) Filter candles and other filter media. **File 2228**

NETHERLANDS—An established Dutch engineering consultant company would like to make licensing arrangements with a U.S. firm regarding their portable shrink gun used for heat-shrinking film wraps for palletized loads. The "gun" is connected to a bottle of propane gas and a supply voltage of 220 volts. Under ignition button control and separate trigger action the gun is moved along the film at a distance of 10 cm. causing the film to shrink under the influence of the heat from the nozzle. Primary advantages claimed are: light weight; low exterior temperature as a result of double shielding; the fact that no adjustments are required; and immediate readiness for use for non-continuous operations. **File 2229**

SWITZERLAND—A small Swiss firm wishes to make licensing arrangements with a U.S. firm to manufacture their deflection meter developed by the Bridge and Road Department of the French Ministry of Equipment. The company was set up to sell civil engineering and geophysical instruments and this product is extensively used in road building. Reportedly, some 19 countries have ordered the equipment including countries in Africa, South America and Asia. This company has other geophysical and road testing instruments for licensing including an apparatus for the measurement of longitudinal road profiles. **File 2230**

Foreign Trade Opportunities

These trade opportunities are based on reports received from the U.S. Foreign Service by the Business Opportunities Staff and other units of the Bureau of Domestic Commerce (BDC), U.S. Department of Commerce, Washington, D.C. 20230. The commodities in which foreign firms have interest are indicated by the five-digit numbers and commodity classifications which are from the Standard Industrial Classification (SIC) Manual and the Numerical List of Manufactured Products, 1967 Census of Manufacturers, used extensively by Government and industry.

U. S. firms should be aware that the listing in Commerce Today *of opportunities to trade in specific commodities and technical data does not necessarily imply approval of their export by the Deparment of Commerce pursuant to the Export Administration Act of 1969. Applicable export licensing regulations must be followed.*

Every effort is made to include only firms or individuals with good reputations. However, the Department cannot be responsible for any trade relations.

The mark (•) indicates that this trade opportunity is a request for bids by a foreign government agency. A (★) at the end means that additional information may be borrowed by U.S. firms from the individual division of BDC. To avoid delays, requests for loan material should specify the country, commodity and foreign government agency.

WTD indicates that a World Trade Directory Report containing financial and business background information on the foreign firm is available for $2 from the U.S. Department of Commerce, BIC-976, Washington, D.C. 20230.

Direct Sales

Specific foreign firms have expressed interest in direct purchases of the products below. See also the "Agencies" listing.

Iron ores

10110—GERMANY—Pig iron. Metallverkaufs-Gesellschaft mbH., Attn: Herr Summ (importer, dist.), 421 Hanauer Landstr., 6000 Frankfurt/Main. WTD 6/72.

Meat products

20154—GERMANY—Poultry canned, except soups. Neuendorf, Paul (importer, distributor), 112 Bergstrasse, 58 Hagen. WTD in prep.

20155 — GERMANY — Poultry, pressed, packed. Neuendorf, Paul (importer, distributor), 112 Bergstrasse, 58 Hagen. WTD in prep.

Canning, preserving foods

20373—GERMANY—Poultry pies, frozen; poultry, frozen. Neuendorf, Paul (importer, distributor), 112 Bergstrasse, 58 Hagen. WTD in prep.

Confectionery

20710—GERMANY—All types of products in the field of almonds, peanuts, walnuts and popcorn (glace, salted, candy, pastes). C.i.f. Hamburg/Rotterdam; terms of payment and delivery to be negotiated. Direct purchase and/or agency. Fa. Karl Reichl (importer, distributor, manufacturer), D-8000 Muenchen 70, Zielstattstrasse 33. Attn: Herr H. Habermann. WTD 5/72.

Beverage industries

20874—MALAYSIA—Orange fruit juice concentrated for repacking. Leonard (Kota Kinabalu) Co. (distributor, wholesaler), 19 Australia Place, P.O. Box 1619, Kota Kinabalu, Sabah, East Malaysia. WTD in prep.

Food preparations

20931—TAIWAN—Linseed oil. Giant Industrial, Inc. (importer, agent), 9 Chih Fong St., Taipei 102. WTD in prep.

20990—GERMANY—All types of new products in the field of almond, peanut and hazelnut pastes. C.i.f. Hamburg/Rotterdam; terms of payment and delivery to be negotiated. Direct purchase and/or agency. Fa. Karl Reichl (importer, distributor, manufacturer), D-8000 Muenchen 70, Zielstattstrasse 33. Attn: Herr H. Habermann. WTD 5/72.

Broad woven fabric mills, cotton

22110 — ARGENTINA — Fabrics for pneumatic structures such as pneumatic domes. Requests descriptive literature, price quotations. Angel Pagani & Asociados (mfr.), Mendoza 1965, Avellaneda, Prov. de Buenos Aires. WTD in prep.

22119—GERMANY—High quality towels. Requests product literature, price quotations c.i.f. German ports. C & C Grossmarkt GmbH., Attn: Herr Siegfried Hollweck (importer, wholesaler), 8 Muenchen 90, Balanstrasse 50.

Textile goods

22940—CANADA—Thread waste nylon

—type 6 and 6.6, 3-6 & 15 denier—dull & semi-dull, 3-15 undrawn nylon filament on spools. Hy-Quality Fibre Sales, A. Lasky, mgr., (mfr.), 79 Spruce St., Galt, Ontario. WTD in prep.

Men's sport, work clothing

23214—GERMANY—High quality men's sport and dress shirts. Requests product literature, price quotations c.i.f. German ports. C & C Grossmarkt GmbH., Attn: Herr Siegfried Hollweck (importer, wholesaler), 8 Muenchen 90, Balanstrasse 50.

Women's, misses', juniors' outerwear

●23350—AUSTRIA—Ladies' woolen and two-piece and three-piece jersey or double knit dresses desired for fall 1972; price quotations requested ASAP. Modenhaus Forster Ges. M.B.H., Landstrasse 60, A-4020 Linz. WTD in prep.

23393 — CANADA — Women's, young misses', juniors' popular to medium priced sport sweaters. Camille N. Romano, Euro Fashion (importer, distributor, agent), 1435 St. Alexander, Suite 1090, Montreal 111, Quebec. WTD in prep.

Sawmills, planing mills

24211 — GERMANY — Rough lumber, sawed ties. Kalkreuter, Rudolf (importer, distributor), 37 Detmolder Strasse, 491 Lage/Lippe. WTD in prep.

24212 — GERMANY — Finished lumber. Kalkreuter, Rudolf (importer, distributor), 37 Detmolder Strasse, 491 Lage/Lippe. WTD in prep.

Millwork, veneer, plywood, prefabricated structural wood products

24325—GERMANY—Hardwood veneer. Kalkreuter, Rudolf (importer, distributor), 37 Detmolder Strasse, 491 Lage/Lippe. WTD in prep.

24326 — GERMANY — Softwood veneer. Kalkreuter, Rudolf (importer, distributor), 37 Detmolder Strasse, 491 Lage/Lippe. WTD in prep.

Paper mills

26210—MALAYSIA—Toilet tissue stock in rolls or bulk (twy-ply) for local conversion; Toilet tissue paper ready packed per order of 200 cartons x 100 rolls. Kian Bee Co. (distributor, agent), 108 Brunei Malay Teachers' Assn. Bldg., P.O. Box 100, Bandar Seri Begawan, Brunei. WTD in prep.

26210 — SINGAPORE — NEWSPRINT: newsprint paper, kraft liner, duplex board coated and uncoated, sulphite paper. Mr. Joshua NG Hock Hwa, Man. Dir., Hiap Moh & Co., Pte. Ltd. (importer, distributor, agent), 62 Telok Ayer St., Singapore 1. WTD 6/72.

26217—INDIA—Base industrial filter paper valued $7,000 used in manufacture of filters for filtering oils such as hydraulic oil, lubricating oil, other fluids. Otoklin Filters of India, Attn: S. K. Jhaveri (importer, manufacturer), 1006 Prasad Chambers, Tata Road No. 2, Bombay 4. WTD 6/72.

Converted paper, paperboard products

26414—GERMANY—Pressure sensitive tape. Direct purchase & agency. Schwertfeger (distributor, agent, exporter), 40 Siegfriedstrasse, 48 Bielefeld. WTD in prep.

Periodicals: publishing & printing

27216 — BRAZIL — General periodicals, general interest and entertainment. Fernando Chinaglia Distribuidora S.A. (importer), Rua Teodoro da Silva 907, Rio de Janeiro, GB. WTD 5/72.

Books

27315—BRAZIL—General books. Fernando Chinaglia Distribuidora S.A. (importer), Rua Teodoro da Silva 907, Rio de Janeiro—GB. WTD 5/72.

Industrial chemicals

28123 — JAMAICA — Sodium hydroxide (caustic soda) for use in textile factory. Price quotations c.i.f. requested. Ariguanabo Co. of Jamaica, Attn: Ricardo Velez (distributor, manufacturer), 18-20 Orange St., Kingston. WTD 5/72.

28124 — TAIWAN — Barium carbonate, potassium carbonate. Giant Industrial, Inc (importer, agent), 9 Chih Fong St., Taipei 102. WTD in prep.

28151 — NETHERLANDS — Intermediates, all kinds. Direct purchase and/or agency for European continent. Itacolor N.V., Attn: S. Kuyper, Mgr. (importer, distributor/exporter, manufacturer), 21a Karel Doormanlaan, De Lier. WTD 5/72.

28152 — NETHERLANDS — Synthetic organic dyestuffs, all kinds. Direct purchase and/or agency for Europe. Itacolor N.V., Attn: S. Kuyper, Mgr. (importer, distributor/exporter, manufacturer), 21a Karel Doormanlaan, De Lier. WTD 5/72.

28163 — TAIWAN — Ultramarine blue, iron oxide red, yellow or black. Giant Industrial Inc., (importer, agent), 9 Chih Fong St., Taipei 102. WTD in prep.

28183—TAIWAN—Stearic acid, methyl cellulose. Giant Industrial Inc. (importer, agent), 9 Chih Fong St., Taipei 102. WTD in prep.

28194—TAIWAN—Boric acid. Giant Industrial Inc. (importer, agent), 9 Chih Fong St., Taipei 102. WTD in prep.

28197—ICELAND—Sodium tripolyphosphate; 100-120 M.T. per yr. Sapuverksmidjan SJOFN (importer, mfr.), Akureyi. WTD 6/72.

28197—TAIWAN—Borax decahydrate or hydrate, sodium nitrate. Giant Industrial Inc. (importer, agent), 9 Chih Fong St., Taipei 102. WTD in prep.

28199—TAIWAN—Arsenic trioxide, titanium dioxide. Giant Industrial Inc. (importer, agent), 9 Chih Fong St., Taipei 102. WTD in prep.

Synthetic materials

28211 — TAIWAN — Polystyrene film. Taishing Electric Co., Ltd. (mfr.), 130-8 Chang Chung Rd., Taipei 104. WTD in prep.

28213—TAIWAN—Thermoplastic cellulosic resins. Giant Industrial Inc. (importer, agent), 9 Chih Fong St., Taipei 102. WTD in prep.

28219 — JAMAICA — Resins; auxiliaries for textile factory. Technical literature, quotations c.i.f. requested. Ariguanabo Co. of Jamaica Ltd., Attn: Ricardo Velez (distributor, manufacturer), 18-20 Orange St., Kingston. WTD 5/72.

Soap, detergents, cleaning preparations, perfumes, cosmetics

28430 — JAMAICA — Surface active and finishing agents, assistants and finishes for textile industries. Brochures, technical literature, price list requested. Ariguanabo Co. of Jamaica Ltd. Attn: Ricardo Velez (distributor, manufacturer), 18-20 Orange St., Kingston. WTD 5/72.

Paints, varnishes, lacquers, enamels

28510—PHILIPPINES—Industrial sealer. Meteor Development Corp., Attn: Israel F. Maducdoc, Import mgr. (importer, dist.), 7555 Santillan St., Makati, Rizal. WTD in prep.

Gum, wood chemicals

28612—BRAZIL—Natural tanning materials (pyrogallic acid). Declasse Cosmeticos Ltda. (importer), Estrada do Timbó 156, Rio de Janeiro—GB. WTD 3/72.

28612—TAIWAN—Tall oil. Giant Industrial Inc. (importer, agent), 9 Chih Fong St., Taipei 102. WTD in prep.

Agricultural chemicals

28711—BRAZIL—Ammonium phosphate, triple super phosphate. Arthur Vianna Companhia de Materiais Agricolas (importer), Av. Santos Dumont 227, Caixa Postal 291, Belo Horizonte—MG. WTD 6/72.

28711 — GUYANA — Approximately 100 long tons (calculated on basis of single superphosphate, 23% P_2O_5 content) of either single superphosphate, triple superphosphate, or rock phosphate with minimum fluorine content. Delivery 1973. Anticipated annual requirement in 4-5 years estimated at 500 long tons. Supply of one long ton of phosphoric acid annually. Livestock Project Div., Bank of Guyana, Attn: J. B. Ritson, 4th Floor, Bank of Guyana Bldg., P.O. Box 438, Georgetown. WTD.

Paving, roofing materials

29520 — PHILIPPINES — Felt, roofing. Meteor Development Corp., Attn: Israel F. Maducdoc, Import mgr. (importer, dist.), 7555 Santillan St., Makati, Rizal. WTD in prep.

Leather tanning, finishing

31110 — GERMANY — Finished leathers for manufacture of leather clothing. Karl Hohenstein, Bekleidungswerke (importer, mfr.), 51 Brunnenstrasse, D-7180 Crailshein, Baden-Wuerttemberg. WTD 6/72.

Handbags, personal leather goods

31720—ENGLAND—Plastic wig cases. Approximate measurements: 18″ high, 15″ diameter; opened by zipper at bottom, interior fitted with dummy head. Envoy Trading Co., Attn: N. Vogel, Proprietor (importer, dist.), 109 Darenth Rd., London, N. 16. WTD in prep.

Glass, glassware

32291 — CYPRUS — Table, kitchen, art, novelty glassware. Manufacturers only. C.i.f. Cyprus. Direct purchase & agency. Savvas Ch. Kafassakis & Son (importer, distributor, retailer), 76-78 Hermes St., Nicosia. WTD in prep.

Structural clay products

32550 — TAIWAN — Clay refractories. Cosmos Chemical Co., Ltd. (dist., mfr., exporter), 125 Hsin Sheng South Rd., Sec. 1, Taipei 106. WTD in prep.

Pottery, related products

32620—CYPRUS—Vitreous china, porcelain table and kitchen articles. Manufac-

turers only. C.i.f. Cyprus. Direct purchase & agency. Savvas Ch. Kafassakis & Son (importer, dist., retailer), 76-78 Hermes St., Nicosia. WTD in prep.

Abrasive, asbestos, nonmetallic mineral products

32950—BRAZIL—Sulfur. Minas Importação e Exportação S.A. (importer, agent), Av. Afonso Pena 726—s/809/811. Caixa Postal 1763, Belo Horizonte—MG. WTD 2/72.

Steel mill products

33100—IRAN—220 wheel centers for freight cars. Tender No. 132/51 Iranian State Railways. Bid deadline Aug. 26. Copies of tender document available from Iranian Economic Mission, 2233 Wisconsin Ave., N.W., Washington, D.C. 20007.

33100—IRAN—10 items of steel pipe type ST-60 approximately 30 tons. Tender No. 550/51 Iranian State Railways. Bid deadline Sept. 11. Copies of tender documents available from Iranian Economic Mission, 2233 Wisconsin Ave., N.W., Washington, D.C. 20007.

33121 — GERMANY — Ferroalloys, all kinds. Metallverkaufs-Gesellschaft mbH., Attn: Herr Summ (importer, dist.), 421 Hanauer Landstr., 6000 Frankfurt/Main. WTD 6/72.

33127—INDIA—Stainless steel sheets below 5 mm. thickness, valued $20,000. Otoklin Filters of India, Attn: S. K. Jhaveri (importer, mfr.), 1006 Prasad Chambers, Tata Road No. 2, Bombay 4. WTD 6/72.

33157—INDIA—1000 sq. m. stainless steel and phosphorous bronze wire mesh in over 100 mesh quality for manufacturing industrial filters. Otoklin Filters of India, Attn: S. K. Jhaveri (importer, mfr.), 1006 Prasad Chambers, Tata Road No. 2, Bombay 4. WTD 6/72.

33167—BRAZIL—Cold rolled steel strip. Laminação Brasileira de Ferro S.A.—Brasferro (importer), Rua Visconde de Inhaúa 134—sale 405, Rio de Janeiro—GB. WTD 3/72.

Primary smelting, refining of nonferrous metals

33310—GERMANY—Nonferrous metal scraps and nonferrous ingots, copper. Metallverkaufs-Gesellschaft mbH., Attn: Herr Summ (importer, dist.), 421 Hanauer Landstr., 6000 Frankfurt/Main. WTD 6/72.

33320—GERMANY—Nonferrous metal scraps and nonferrous ingots, lead. Metallverkaufs-Gesellschaft mbH., Attn: Herr Summ (importer, dist.), 421 Hanauer Landstr., 6000 Frankfurt/Main. WTD 6/72.

33340—GERMANY—Nonferrous metal scraps and nonferrous ingots, aluminum. Metallverkaufs-Gesellschaft mbH., Attn: Herr Summ (importer, dist.), 421 Hanauer Landstr., 6000 Frankfurt/Main. WTD 6/72.

33390—GERMANY—Nonferrous metal scraps and nonferrous ingots, including magnesium, titanium, cadmium; nickel alloyed scrap. Metallverkaufs-Gesellschaft mbH., Attn: Herr Summ (importer, dist.), 421 Hanauer Landstr., 6000 Frankfurt/Main. WTD 6/72.

Rolling, drawing, extruding of nonferrous metals

33560—BRAZIL—Zinc. Laminação Brasileira de Ferro S.A.—Brasferro (importer), Rua Visconde de Inhaúma 134—sala 405, Rio de Janeiro, GB. WTD 3/72.

33560—PAKISTAN—Metallic flexible exhaust pipe in size ¾" & ½" I.D. (inner diameter). Catalogs, quotations, C & F, Karachi. Butt Engineering Stores (importer, dist.), 29, Badri Bldg., I.I.Chundrigar Rd., Karachi-2. WTD in prep.

33570 — PHILIPPINES — Power cable (insulated or enamel). Meteor Development Corp., Attn: Israel F. Maducdoc, Import mgr. (importer, dist.), 7555 Santillan St., Makati, Rizal. WTD in prep.

Nonferrous foundries

33690 — INDIA — Sintered bronze metal (valued $2000) that can be molded depending on size of filter cartridges. Otoklin Filters of India, Attn: S. K. Jhaveri (importer, mfr), 1006 Prasad Chambers, Tata Road No. 2, Bombay 4. WTD 6/72.

Primary metal industries

33991 — TAIWAN — Aluminum paste. Giant Industrial Inc. (importer, agent), 9 Chih Fong St., Taipei 102. WTD in prep.

Cutlery, hand tools, general hardware

34231 — GERMANY — Special tools for electronic, electrical industries. Direct purchase & agency. Kager Gesellschaft f. angewandte Verbindungstechnik (importer, dist., agent), 73 Konstanzerstr., 6000 Frankfurt/Main. WTD 6/72.

34231 — SWITZERLAND — Specialty wrenches, delic-grip strap wrenches, hook type wrenches, metric socket sets, pliers, combination tools. Hasberg AG, Attn: Mr. J. Kirchner (importer, dist.), Ruetibuhlstrasse, 8820 Wadenswil. WTD in prep.

34232—SWITZERLAND—Novelty, high quality garden, agricultural hand tools, auger bits, planes, chisels. Requests offers from manufacturers. Exclusive sales rights. Hasberg AG, Attn: Mr. J. Kirchner (importer, dist.), Zugerstr. 162, P.O. Box 112, 8820 Wadenswil. WTD in prep.

34233—SWITZERLAND—High quality, precision metalworking files, rasps. Soldering irons. Requests offers from manufacturers. Exclusive sales rights. Hasberg AG, Attn: Mr. J. Kirchner (importer, dist.), Zugerstr. 162, P.O. Box 112, 8820 Wadenswil. WTD in prep.

34290 — PHILIPPINES — General hardware. Meteor Development Corp., Attn: Israel F. Maducdoc, Import mgr. (importer, dist.), 7555 Santillan St., Makati, Rizal. WTD in prep.

34291—GERMANY — Marine hardware. Hermann Sprenger, Attn: Mr. Althoff (importer, dist., mfr.), 586 Iserlohn, Postfach 307, Alexanderstrasse 18/19. WTD 6/72.

34295—GERMANY—Riding accessories made of hardware. Hermann Sprenger, Attn: Mr. Althoff (importer, dist., mfr.), 586 Iserlohn, Postfash 307, Alexanderstrasse 18/19. WTD 6/72.

Heating apparatus, plumbing fixtures

34320—BRAZIL—Plumbing fixture fittings, trim. Marcovan Comércio Indústria S.A. (importer), Rua São José 78, Rio de Janeiro—GB. WTD 4/72.

34320—SWITZERLAND—Drum faucets, barrel faucets, self closing drum gates, safety faucets. Requests offers from manufacturers. Exclusive sales rights. Hasberg AG, Attn: Mr. J. Kirchner (importer, dist.), Zugerstr. 162, P.O. Box 112, 8820 Wadenswil. WTD in prep.

Fabricated structural metal products

34411 — SWITZERLAND — Cold rolled exposed steel grids for suspended ceilings, 1–4 ft. long. Forming AG, Attn: Heinz A. Ruchatz (mfr.), 4313 Möhlin. WTD in prep.

34493—SWITZERLAND — Magnesium dock boards, plates, truck dock boards. Exclusive sales rights. Hasberg AG, Attn: Mr. J. Kirchner (importer, dist.), Zugerstr. 162, P.O. Box 112, 8820 Wadenswil. WTD in prep.

Metal stampings

34611 — PHILIPPINES — Kitchenwares (all kinds), Meteor Development Corp., Attn: Israel F. Maducdoc, Import mgr. (importer, dist.), 7555 Santillan St., Makati, Rizal. WTD in prep.

Fabricated metal products

34910 — ENGLAND — CO_2 cylinders, stainless steel or aluminum beer casks. Allied Breweries (UK) Ltd., Attn: J. A. Shaw, Buying Dept. (dist., mfr., retailer), The Brewery, Burton-on-Trent, DE14 1BZ. WTD 1/72.

Engines, turbines

35199 — PERU — Parts, accessories for diesel engine injection pumps. Electro Diesel del Norte, S.A. (importer, dist., retailer), Carretera Panamericana Norte Km. 1. Casilla 222, Chicla yo. WTD 3/72.

Farm machinery

35228—SURINAM—Water drinking system for swine. System may be actuated by water level, valve pushed by head of animal or other automatic device which will maintain reasonably constant water level. System must operate with 20 psi water supply; must be suitable for use in tropics. Initial purchase would be system adequate for 200 animals in 20 enclosures. Eugene Tjoe Fat (farmer), Lelydorp. WTD in prep.

Construction, mining, materials handling machinery, equipment

35310—GERMANY—Construction, related machinery. Direct purchase & agency. Tiller, Hugo E. (importer, dist., exporter), 3a, Rheinstahlstrasse, 4 Düsseldorf 18. WTD in prep.

35318—BRAZIL—Road construction machinery, scrapers, graders, rollers. Consmaq Engenharia Ltda. (importer), Av. Rio Branco 18—grupo 1704, Rio de Janeiro—GB. WTD 2/72.

35321 — BRAZIL — Mining machinery, mineral classifying, related equipment. Consmaq Engenharia Ltda. (importer), Av. Rio Branco 18—grupo 1704, Rio de Janeiro—GB. WTD 2/72.

35351—GERMANY—Conveyors, conveying equipment. Direct purchase & agency. Tiller, Tugo E. (importer, dist., exporter), 3a Rheinstahlstrasse, 4 Düsseldorf 18. WTD in prep.

Metalworking machinery

35411—SWITZERLAND—NC cylinder, contour, horizontal, jig boring machines, complete assembly, automatic fabrication lines. Request offers from manufacturers. Exclusive sales rights. Hasberg AG (importer, dist.), Zugerstr. 162, P.O. Box 112, 8820 Wadenswil. WTD in prep.

35413—SWITZERLAND—NC gear cutting, finishing machines, complete assembly, fabrication lines. Requests offers from manufacturers. Exclusive sales rights. Hasberg AG, Attn: Mr. J. Kirchner (importer, dist.), Zugerstr. 162, P.O. Box 112, 8820 Wädenswil. WTD in prep.

35414—SWITZERLAND—NC automatic grinding, polishing, buffing machines, transfer machines, complete metalworking assembly lines. Requests offers from manufacturers. Exclusive sales rights. Hasberg AG, Attn: Mr. J. Kirchner (importer, dist.), Zugerstr. 162, P.O. Box 112, 8820 Wadenswil. WTD in prep.

35415—SWITZERLAND — Numerically controlled machine tools, lathes, complete metalworking assembly lines, transfer machines. Requests offers from manufacturers only. Exclusive sales rights. Hasberg AG, Attn: Mr. J. Kirchner (importer, dist.), Zugerstr. 162, P.O. Box 112, 8820 Wadenswil. WTD in prep.

35416—SWITZERLAND — Numerically controlled milling machines, combination milling and boring, centering and drilling machines, automatic tool changers. Requests offers from manufacturers only. Exclusive sales rights. Hasberg AG, Attn: Mr. J. Kirchner (importer, dist.), Zugerstr. 162, P.O. Box 112, 8820 Wadenswil. WTD in prep.

35418 — SWITZERLAND — Automatic chucking (multiple spindle) machines, NC centering machines, complete assembly lines, transfer machines. Requests offer from manufacturers only. Exclusive sales rights. Hasberg AG, Attn: Mr. J. Kirchner (importer, dist.), Zugerstr. 162, P.O. Box 112, 8820 Wadenswil. WTD in prep.

35421—SWITZERLAND—Rotary bending, forming machines, rotary shearing machines, NC tube bending machines, punching machines. Requests offers from manufacturers. Exclusive sales rights. Hasberg AG, Attn: Mr. J. Kirchner (importer, dist.), Zugerstr. 162, P.O. Box 112, 8820 Wadenswil. WTD in prep.

Metalworking machinery

35484 — JORDAN — Two automatic car washing machinery for washing of cars, trucks, buses. Nile Station for Automatic Lubricating (importer), Station Road, Nawar Bridge, P.O. Box 1843, Amman. WTD in prep.

Special industry machinery

35510—ISRAEL—New models of food products machinery and appliances including grinders, extractors, etc.; hand- and electric-operated, for use in hotels, large institutions. Direct purchase and agency. Syto-Mac Enterprises Ltd. (importer, dist., agent), Export Dept., 15 Frishman St., Tel Aviv. WTD in prep.

35513—EL SALVADOR—Small to medium sized machines for processing, packaging and canning meat, fish, vegetables, soya, other food products. Requests technical literature. Correspondence requested in Spanish. Ing. Roberto Puente, La Constancia, S. A. (dist., brewery and soft drink bottling plant), Apartado Postal 101, Paseo Independencia 526, San Salvador. WTD 12/71.

35595 — ISRAEL — Modern metal-finishing equipment and devices for galvanizing industry, specifically for neutralizing used acids. Direct purchase & agency. Migos Ltd. (importer, dist., mfr.), P.O. Box 127, Herzliya. Cable address: MIGOS HERZLIYA. WTD in prep.

General industrial machinery

35690 — GERMANY — Fully automatic paper wrapping machine for wrapping textile bolts. Kurt Engelmann K.G. (importer, dist., agent), 6200 Wiesbaden-Dotzheim, Tauernstr. 11. WTD in prep.

35690 — TAIWAN — PE bag automatic packing, sealing machines. General International Trading Co., Ltd. (importer, agent, exporter), 2nd Fl., 30 Nan Hai Rd., Taipei. WTD 5/71.

Special Action

Each of the following trade notices is deemed to rate the special attention of American manufacturers and suppliers by the U. S. Commercial Officers overseas.

23350 — CANADA — Women's, young misses', juniors' popular to medium priced dresses. Camille N. Romano, Euro Fashion (importer, dist., agent), 1435 St. Alexander, Suite 1090, Montreal 111, Quebec, WTD in prep.

23370 — CANADA — Women's, young misses', juniors' popular to medium priced sportswear—suits, slacks, skirts, tops. Camille N. Romano, Euro Fashion (importer, dist., agent), 1435 St. Alexander, Suite 1090, Montreal 111, Quebec. WTD in prep.

25220 — UNITED KINGDOM — Modern office furniture (metal), office design systems. Marine & General Mutual Life Assurance Society, Attn: Mr. Williams (insurance company), 1 St. Swithin's Lane, London EC4P 4HL. WTD in prep.

28123—BRAZIL—Sodium hydroxide (caustic soda). Minas Importação e Exportação S.A. (importer, agent), Av. Afonso Pena 726 - s/809/811, Caixa Postal 1763, Belo Horizonte - MG. WTD 2/72.

28340—CYPRUS—Pharmaceutical preparations. Manufacturers only. C.i.f. Cyprus. Direct purchase agency. Philipps Phamaceutical House (importer, dist., agent), 223 Ledra St., P.O. Box 1476, Nicosia. WTD in prep.

28712—BRAZIL—Phosphate potash mixtures. Arthur Vianna Companhia de Materiais Agrícolas (importer), Av. Santos Dumont 227, Caixo Postal 291, Belo Horizonte-MG. WTD 6/72.

35452—PERU—Outside electronic caliper. Construcciones A. Maggiolo S.A. (mfr.), Jorge Chavez 148, Chucuito, Callao. WTD 5/72.

35540—THAILAND—Semi-automatic machinery, small type, complete set, for manufacturing printed wall-papers. Requests catalogs, technical know-how, c.i.f. Bangkok prices, turn-key basis. Progressive Design Inc. (importer, dist., interior decorator), Chalermlok Center, Rajdamri Rd., Bangkok. WTD in prep.

35690 — THAILAND — Machinery for making cap-sealed cans and drums, four-corner and barrel shape. Cans and drums ranging from capacity of 1 to 200 liters, with and without off-set printing. Requests c.i.f. Bangkok prices, brochures, literature, technical assistance. Kiat Nantawatana Co., Ltd. (dist., retailer, agent), 64/14-17 New Petchburi Rd., Bangkok. WTD in prep.

35857 — HONDURAS — Air conditioning units for homes and offices, unassembled. Firm wishes to buy parts, which can be assembled in the country, and reexported to Central American Common Market and elsewhere. Supermercado Maru (importer, mfr., retailer), 3a. Avenida N. O. No. 42, Apartado Postal 49, San Pedro Sula. WTD in prep.

36112 — NETHERLANDS — Electronic measuring instruments, digital equipment. Direct purchase, agency and/or license manufacture arrangements. Sales territory. Benelux countries. B. V. Van Dam Elektronica (Attn: P. E. Annokkee, sales mgr. (importer, dist./exporter, retailer/agent), 49 Spoorsingel, or P.O. Box 450, Rotterdam-3004. WTD 5/72.

36514 — GREECE — Recorders, audio amplifiers, phonographs, tuners, speaker systems, other audio equipment, accessories. C.i.f.-Piraeus price quotations. VES Industrial & Commercial Cooperation S.A. (importer, dist., agent), 7 Pentelis St. & Mitropoleos, Athens. WTD 6/72.

36795 — NETHERLANDS — Electronic components, such as capacitors, resistors, semiconductors. Direct purchase, agency and/or license manufacture arrangements. Sales territory for Benelux countries. Van Dam Elektronica B. V. (Attn: P. E. Annokkee, sales mgr.) (importer, dist./exporter, retailer/agent), 49 Spoorsingel, or P.O. Box 450, Rotterdam-3004. WTD 5/72.

38216—PERU—Axle testing magnaflux equipment. Construcciones A. Maggiolo, S. A. (mfr), Jorge Chavez 148, Cucuito, Callao. WTD 5/72.

Office machines

35731 — GERMANY — Recorders, magnetic card, for digital use; readers. Reichert-Elektronik GmbH. (importer, dist., mfr.), Postfach 3220, 5500 Trier. WTD 10/71.

35741—GREECE—Accounting and computing machines—small size. C.i.f.-Piraeus price quotations. VES Industrial & Commercial Cooperation S.A. (importer, dist., agent), 7 Pentelis St. & Mitropoleos, Athens. WTD 6/72.

35760—GREECE—Bathroom scales. C.i.f. -Piraeus price quotations. VES Industrial & Commercial Cooperation S.A. (importer, dist., agent), 7 Pentelis St. & Mitropoleos, Athens. WTD 6/72.

Service industry machines

35811—GERMANY—Thermo-electric dispensing machines for hot, cold drinks. Direct purchase & agency. SOMAH-Maschinenhandel GmbH. & Co. KG. (importer, dist.), 18 Buchenbusch, 6078 Neu Isenburg. WTD 6/72.

35811—GREECE — Automatic merchandising machines (candies, drinks, etc.). C.i.f.-Piraeus price quotations. VES Industrial & Commercial Cooperation S.A. (importer, dist., agent), 7 Pentelis St. & Mitropoleos, Athens. WTD 6/72.

35891 — NETHERLANDS — Coffee-making equipment & machines, food warming equipment, related apparatus for use in hotels, restaurants, canteens, institutions. Tevako B.V. (importer, dist., mfr.), 8 Weerenweg, Zwanenburg. WTD 6/72.

Electric transmission, distribution equipment

● 36100—INDIA—Supply of microwave and V.H.F. testing instruments. Tender No. 162-108/72-TPL (CP)/MM(D), bid deadline Sept. 14. Invited by the Assistant Director General (IT), Posts and Telegraphs Dept., Parliament St., New Delhi. Tender documents available, at $2.70 each, from the India Supply Mission, 2536 Massachusetts Ave., NW., Washington, D.C. 20008.

● 36100—INDIA—Supply of testing instruments for TRC including level measuring set, transmission test set, white noise test set, etc. Tender No. 162-109/72-TPL (CP) MMD, bid deadline Sept. 25. Invited by the Assistant Director General (Import), Post and Telegraphs Board, Dak Tar Bhavan, New Delhi-1. Tender documents available, at $2.70 each, from the India Supply Mission, 2536 Massachusetts Ave., NW., Washington, D.C. 20008.

● 36100—PARAGUAY—Supply of 3,760 electric power meters. Tender No. 60/72, bid deadline Aug. 8. Specifications on this tender may be purchased, at US $5.00 per copy, from the Division de Adquisiciones (Purchasing Division), Departamento de Licitaciones, ANDE, Calle Padre Cardozo 560, Asuncion.

36130—PHILIPPINES—Switches (electrical). Meteor Development Corp., Attn: Israel F. Maducdoc, Import Mgr. (importer, dist.), 7555 Santillan St., Makati, Rizal. WTD in prep.

36110—SPAIN—Electric measuring instruments. ECS Radiocomunicaciones (importer, dist.), Victor Pradera, 44, Madrid (8). WTD 6/72.

Electrical industrial apparatus

36216—PERU—Parts and supplies for motor-generator sets, motors and generators. Electro Diesel del Norte, S.A. (importer, dist., retailer), Carretera Panamericana Norte Kn. 1. Casilla 222, Chiclayo. WTD 3/72.

36220—PERU—Motor starters. Electro Diesel del Norte, S.A. (importer, dist., retailer), Carretera Panamericana Norte Km. 1. Casilla 222, Chiclayo. WTD 3/72.

36292—PERU—Rectifying apparatus to be used in high horsepower electrode position rectifying systems, for industrial use only. Intelco, S.A. (importer), Italia 279, Miraflores, Lima 18. WTD 10/71.

Household appliances

36312—GERMANY — Outdoor bar-b-q grills. Requests product literature, price quotations c.i.f. German ports. C & C Grossmarkt GmbH., Attn: Herr Siegfried Hollweck (importer, wholesaler), 8 Muenchen 90, Balanstrasse 50.

36342—GREECE—Electric razors, dry shavers. C.i.f.-Piraeus price quotations. VES Industrial & Commercial Cooperation S.A. (importer, dist., agent), 7 Pentelis St. & Mitropoleos, Athens. WTD 6/72.

36343—GREECE—Small household electrical appliances (toasters, blenders, mixers, grinders, slicers, fryers and frying pans, electric blankets, hair dryers, can openers, etc.). C.i.f.-Piraeus price quotations. VES Industrial & Commercial Cooperation S.A. (importer, dist., agent), 7 Pentelis St. & Mitropoleos, Athens. WTD 6/72.

36393—BRAZIL—Food waste disposers. Marcovan Comércio Indústria S.A. (importer), Rua São José 78, Rio de Janiero—GB. WTD 4/72.

36393—GREECE—Food waste disposers. C.i.f.-Piraeus price quotations. VES Industrial & Commercial Cooperation S.A. (importer, dist., agent), 7 Pentelis St. & Mitropoleos, Athens. WTD 6/72.

36393—MALAYSIA — Garbage disposal units, household & garbage disposers, commercial (230 volts, 50 cycles, single phase). Acme Gas & Trading Co. Ltd. (importer, agent, retailer), 3 Lee Chee Ong St., P.O. Box 688, Kota Kinabalu, Sabah, East Malaysia. WTD in prep.

Electric lighting, wiring equipment

36424 — BRAZIL — Vehicular lighting equipment, electric. Correspondence requested in Portuguese. I. Figueiredo & Cia. Ltda. (importer), Rua São Luiz Gonzaga 818-A, Caixa Postal 3247, Rio de Janeiro—GB. WTD 5/72.

36426—GREECE—Flashlights (battery). C.i.f.-Piraeus price quotations. VES Industrial & Commercial Cooperation S.A. (importer, dist., agent), 7 Pentelis St. & Mitropoleos, Athens. WTD 6/72.

36426 — PHILIPPINES — Parts, accessories for fluorescent lamps. Meteor Development Corp., Attn: Israel F. Maducdoc, Import Mgr. (importer, dist.), 7555 Santillan St., Makati, Rizal. WTD in prep.

Radio, television receiving sets

36520 — ICELAND — Prerecorded tape cassettes, phonographic records. Heilistaeki s/f (importer), Saetun 8, Reykjavik. WTD 1/72.

Communication equipment

36611—SPAIN—Radio-telephonic equipment, supplies. ECS Radiocomunicaciones (importer, dist.), Victor Pradera, 44, Madrid (8). WTD 6/72.

36622—GREECE—Antenae for portable television receivers. C.i.f.-Piraeus price quotations. VES Industrial & Commercial Cooperation S.A. (importer, dist., agent), 7 Pentelis St. & Mitropoleos, Athens. WTD 6/72.

36622—SPAIN—Radio, television broadcast equipment. ECS Radiocomunicaciones (importer, dist.), Victor Pradera, 44, Madrid (8). WTD 6/72.

36623—NETHERLANDS—Electronic security equipment, such as fire, burglar, shoplifting alarm systems. Direct purchase, agencies and/or license manufacture arrangements. Sales territory: Common Market. B. V. Technische Handelmaatschappij Van Dam Elektronica, Attn: P. E. Annokkee, Sales Mgr. (importer, dist./exporter, agent/retailer), 49 Spoorsingel, or P.O. Box 450, Rotterdam-3004. WTD 5/72.

36624 — GERMANY — Navigational instruments; sonic depth finders, azimuth apparatus, nautical communications equipment, for yachts, pleasure boats. Seehandel A. Schadagies (importer), 6704 Mutterstadt, Im Doppelbrett 11. WTD in prep.

36625 — CYPRUS — Airport radar and navigation tower equipment. Manufacturers only. C.i.f. Cyprus. Direct purchase & agency. Kypronics Ltd. (dist., agent, retailer), 19 Gregory Xenopoulos St., P.O. Box 1152, Nicosia. WTD in prep.

Electronic components, accessories

36740—BRAZIL—Semiconductors. E. E. Equipamentos Eletronicos (importer), Rua Prefeito Olimpio de Melo 1607, Rio de Janeiro—GB. WTD 4/72.

36790—BRAZIL—Electronic components. E. E. Equipamentos Eletronicos (importer), Rua Prefeito Olimpio de Melo 1607, Rio de Janeiro—GB. WTD 4/72.

36795—GERMANY—Remote controls for model airplanes. Manfred Weyer—Import (importer, dist., exporter), 10, Ulmenstrasse, 4 Düsseldorf. WTD in prep.

Electrical machinery, equipment, supplies

● 36900—GREECE—Supply of four portable X-ray machines. Tender No. 657/72, bid deadline Aug. 16. Issued by the Ministry of National Economy (Commerce), General Directorate of Procurement, 4th Directorate of State Purchases, Canningos Square, Athens. Terms and specifications available on a loan basis from the Business, Photographic and Scientific Equipment Div., BDC-708, U.S. Department of Commerce, Washington, D.C. 20230 ★(202-967-2939).

36941 — PERU — Magnetos for internal combustion engines. Electro Diesel del Norte, S.A. (importer, dist., retailer), Carretera Panamericana Norte Km. 1. Casilla 222, Chiclayo. WTD 3/72.

Motor vehicles, equipment

37141 — BRAZIL — Parts, accessories, bearings for motor vehicles. Correspondence requested in Portuguese. I. Figueiredo & Cia. Ltda. (importer), Rua São Luiz Gonzaga 818-A, Caixa Postal 3247, Rio de Janeiro—GB. WTD 5/72.

37141—GERMANY — Automobile accessories: steering wheels for sportcars, rearview mirrors for fender of sportcars, revolution meters, etc. Direct purchase & agency. Kleyer KG, Otto (importer, dist., mfr.), 12a Lübbecker Strasse, P.O.B. 1660, 495 Minden. WTD in prep.

37141 — ICELAND — Replacement parts for automotive brake assemblies; master and wheel cylinders, disc brake parts, linings, springs, wires. Europe Trade Ltd. (importer, dist.), P.O. Box 503, Reykjavik. Telex: 2074, cables: icenet is. WTD in prep.

37141—TURKEY—Trucks and bus spare parts, International Harvester diesel or

equal. Celal Olcay (importer), Cumhuriyet Bulvari No. 79/A, Izmir. WTD in prep.

Ship building, repairing

37313—AUSTRALIA—Special catcher carrier trawlers, designed especially for shrimp industry. Cairns Maritime Service, Attn: J. Mann (marine engineers, contractors, consultants), P.O. Box 1416, Cairns, Queensland 4870. WTD in prep.

Instruments for measuring, controlling, indicating physical characteristics

●38216—ISRAEL—Tensile strength, 30 ton, testing machine for round steel rods; used but good condition. Isramar Trading & Marketing Ltd. (importer, dist.), 6 Ahuzat Bayit St., P.O. Box 4853, Tel Aviv. Cable ISRAMAR TELAVIV. WTD in prep.

Toys, amusement, sporting goods

39490 — GERMANY — Swimming pools; steel, plastic. Direct purchase & agency. Kleyer KG, Otto (dist., mfr., agent), 12a Lübbecker Strasse, P.O.B. 1660, 495 Minden. WTD in prep.

39492—KOREA—Shafts, golf clubs for use in fabricating golf clubs. Estimated monthly requirement—50,000 to 100,000 shafts. Requests specifications, f.o.b. and c&f Inchon quotations. Korea Epoch Co., Ltd. (importer, mfr., exporter), I.P.O. Box 4356, Seoul. WTD in prep.

Pens, pencils, office, artists' items

39530 — SWITZERLAND — Stencil cutting machines. Exclusive sales rights. Hasberg AG, Attn: Mr. J. Kirchner (importer, dist.), Zugerstr. 162, P.O. Box 112, 8820 Wadenswil. WTD in prep.

Costume jewelry, novelties

39610—MALAYSIA — Costume jewelry. Lian Hing Trading (importer, agent, wholesaler), 157 Sekama Rd., Kuching, Sarawak, East Malaysia. WTD in prep.

Manufacturing industries

39912—JAMAICA—Paint rollers, refills, pattern rollers, trays for household, commercial use; with long nap for use on concrete. Brochures, price lists requested. Direct purchase & agency. Material Handling Equipment Ltd., Attn: S. O. Naraysingh (importer, dist., retailer), 155¾ Orange St., Kingston. WTD 6/72.

Wholesalers

50930—MALAYSIA — Overissued newspapers in 112 lbs. pack (broadside or full page only). Leonard (Kota Kinabalu) Co. (dist., wholesaler), 19 Australia Place, P.O. Box 1619, Kota Kinabalu, Sabah, East Malaysia. WTD in prep.

Thailand Calls For Bids On Power Line Equipment

The Electricity Generating Authority of Thailand has issued Tender No. 47/2515 for the Supply and installation of power line carrier equipment. Bid deadline is August 30. Copies of tender announcement and specifications are available only from the Foreign Purchasing Section, Electricity Generating Authority of Thailand, Nonthaburi, Thailand. $50.00 per copy.

Agencies

Specific foreign firms have expressed interest in agency agreements for the products listed below. Exclusive agencies for these products are wanted only if specified.

Confectionery

20716—SURINAM—Canned nut meats. Laltapersad Bishesar (importer, dist., retailer), Gouverneurstraat 107, P.O. Box 60, Nieuw Nickerie. WTD 6/72.

Food preparations

20922—AUSTRALIA—Meat substitutes. G. B. R. Proprietary Ltd., Attn: Lionel N. Berck (agent), P.O. Box 503, Mackay Q. 4740. WTD in prep.

Narrow fabrics, other smallwares mills

22410—ISRAEL—Elastic yarn and rubber yarn used in manufacture of knitted men's hose. Exclusive agency. Philip G. Levine (importer, dist. wholesale, agent), 28 Kedoshe Hasoah St., Herzliyah B. WTD in prep.

Floor covering mills, products

22790—ISRAEL—Floor coverings/carpeting for hotels, large institutions, indoor/outdoor; knitted/braided/hooked/woven yarn/fiber; in sizes of between 300 sq.m. up to 3-4,000 sq.m. Syto-Mac Enterprises Ltd. (importer, dist., agent), Export Dept., 15 Frishman St., Tel Aviv. WTD in prep.

Yarn, thread mills, products

22840—ISRAEL—Mono-filament nylon, 2300 deniers—used in fishing and zipper industries. Exclusive agency. Philip G. Levine (importer, dist. wholesale, agent), 28 Kedoshe Hasoah St., Herzliyah B. WTD in prep.

Textile goods

22940—SPAIN—Remnants of processed textile waste; must be new. José Donat (agent), Avda. Diputación, 15-B, Onteniente, Valencia. WTD 5/72.

22970 — GREECE — Wool tops, combed. C.i.f.—Piraeus price quotations. George A. Kendros (agent), 30 Petraki St., Athens. WTD 5/72.

Household furniture

25112 — CANADA — Furniture, wood, painted or finished, for living rooms. Exclusive agency. Royal Upholsterers (1965) Ltd. (dist., mfr.), 311 Nairn Ave., Winnipeg, Manitoba, R2L OW8. WTD in prep.

25113—CANADA—Dining room furniture, wood, finished and painted. Exclusive agency. Royal Upholsterers (1965) Ltd. (dist., mfr.), 311 Nairn Ave., Winnipeg, Manitoba R2L OW8. WTD in prep.

25115—CANADA—Furniture, bedroom, wood, painted and finished. Exclusive agency. Royal Upholsterers (1965) Ltd. (dist., mfr.), 311 Nairn Ave., Winnipeg, Manitoba R2L OW8. WTD in prep.

Converted paper, paperboard products

26440—ISRAEL—Wallpaper, machine-printed/screen-printed, of embossed plastic made on textile backing or from purchased hanging paper; for hotel requirement. Syto-Mac Enterprises Ltd. (importer, dist., agent), Export Dept., 15 Frishman St., Tel Aviv. WTD in prep.

Industrial chemicals

28183 — BRAZIL — Flavor, perfume materials. Saldec Produtos Químicos e Pecuários Ltda. (agent), Rua Leandro Martins 10—40 and., Rio de Janeiro—GB. WTD 2/72.

28195—BRAZIL—Aluminum oxide. Sistema de Dados e Análises Coda Ltda. (importer, agent), Rua Araujo Porto Alegre 70—grupo 604, Rio de Janeiro, GB. WTD 4/72.

Synthetic materials

28232—GREECE—Rayon (viscose process) fiber staple waste. C.i.f.—Piraeus price quotations. George A. Kendros (agent), 30 Petraki St., Athens. WTD 5/72.

28241—GREECE—Nylon fibers. C.i.f.—Piraeus price quotations. George A. Kendros (agent), 30 Petraki St., Athens. WTD 5/72.

28242—BRAZIL—Synthetic fibers (polyester, epoxy, fiberglass). Ritz Comércio e Indústria Ltda. (agent), Av. Dom José Gaspar 791, Caixa Postal 2456, Belo Horizonte—MG. WTD 6/72.

28242 — GREECE — Non-cellulosic man-made fibers (acrylic, polyester). C.i.f.—Piraeus price quotations. George A. Kendros (agent), 30 Petraki St., Athens. WTD 5/72.

Drugs

28349—BRAZIL—Pharmaceutical preparations for veterinary use. Saldec Produtos Químicos e Pecuarios Ltda. (agent), Rua Leandro Martins 10—40 and., Rio de Janeiro—GB. WTD 2/72.

Paints, varnishes, lacquers, enamels

28510 — PORTUGAL — Coating compounds for rendering work on lightweight or cellular concrete walls and brick walls, for manual and spray application. Ytong Portuguesa-Betão Celular, SARL (dist., mfr., agent), Avenida dos Estados Unidos da América. 25 r/c esq., Lisbon 5. WTD in prep.

Chemical products

28993 — PORTUGAL — Concrete additives. Ytong Portuguesa-Betão Celular, S.A.R.L. (dist., mfr., agent), Avenida dos Estados Unidos da América 25 r/c Esq., Lisbon 5. WTD in prep.

Paving, roofing materials

29523 — PORTUGAL — Built-up asphalt felt roofing. Ytong Portuguesa-Betão Celular, SARL (dist., mfr., agent), Avenida dos Estados Unidos da América 25 r/c Esq., Lisbon 5. WTD in prep.

Fabricated rubber products

30692—BOLIVIA—Hose, high pressure ¾"-5". Gundlach S.A. (importer, dist., agent), Calle Reyes Ortiz 73, P.O. Box 1415, La Paz. WTD 8/71.

30697—GREECE—Surgical gloves. C.i.f. —Piraeus price quotations. J. Douros—H.

Kefalas & Co. (importer, dist., agent), 6 Aristidou St., Athens 122. WTD 6/72.

Plastic products

30796—PORTUGAL—Plastics floor and wall covering, interior and exterior; pvc tiles. Ytong Portuguesa-Betão Celular, SARL (dist., mfr., agent), Avenida dos Estados Unidos da América 25 r/c Esq., Lisbon 5. WTD in prep.

30798—ISRAEL—Lamp bases, plastic. Exclusive agency. Philip G. Levine (importer, dist., exclusive agent), 28 Kedoshe Hasoah St., Herzliyah, B. WTD in prep.

Leather tanning, finishing

31112—TRINIDAD and TOBAGO—Upper leather (upper dressed calf leather). B. H. Johnson & Co. (importer, agent, wholesaler), P.O. Box 1050, 38 Maraval Rd., Port of Spain. WTD 12/71.

Pottery, related products

32610—JAMAICA—Bathroom sanitary ware. United Hardware Dealers Ltd., Attn: H. B. Green (importer, dist.), 1-3 Drummond St., Kingston. WTD 6/72.

32610 — MALAYSIA — Bathroom accessories (vitreous china & earthenware). Kion Seng Hardware Sdn. Bhd. (importer, dist., agent), 83-89 Padungan Rd., Kuching, Sarawak, East Malaysia. WTD in prep.

32690—ISRAEL—Lamp bases, pottery. Exclusive agency. Philip G. Levine (importer, dist. wholesale, agent), 28 Kedoshe Hasoah St., Herzliyah B. WTD in prep.

Concrete, gypsum, plaster products

32751—PORTUGAL — Plastering materials for rendering work on light-weight or cellular concrete walls and brick walls, for manual and spray application. Ytong Portuguesa-Betão Celular, SARL (dist., mfr., agent), Avenida dos Estados Unidos da América 25 r/c Esq., Lisbon 5. WTD in prep.

Nonmetallic mineral products

32933—PORTUGAL—Thermal insulation materials. Ytong Portuguesa-Betão Celular, SARL (dist., mfr., agent), Avenida dos Estados Unidos da América 25 r/c Esq., Lisbon 5. WTD in prep.

32962—PORTUGAL—Acoustical insulation products. Ytong Portuguesa-Betão Celular, SARL (dist., mfr., agent), Avenida dos Estados Unidos da América 25 r/c Esq., Lisbon 5. WTD in prep.

Steel mill products

33125—BOLIVIA—Steel wire. Gundlach S.A. (importer, dist., agent), Calle Reyes Ortiz 73, P.O. Box 1415, La Paz. WTD 8/71.

Iron, steel foundries

33214—BOLIVIA—Wheels, railroad car, chilled iron, gray iron. Gundlach S.A. (importer, dist., agent), Calle Reyes Ortiz 73, P.O. Box 1415, La Paz. WTD 8/71.

Rolling, drawing, extruding of nonferrous metals

33560—BOLIVIA—Pipe, tubing seamless ½"-12" diameter. Gundlach S.A. (importer, dist., agent), Calle Reyes Ortiz 73, P.O. Box 1415, La Paz. WTD 8/71.

Primary metal industries

33991—BRAZIL—Metal powders. Sistema de Dados e Análises Coda Ltda. (importer, agent), Rua Araujo Porto Alegre 70—grupo 604, Rio de Janeiro—GB. WTD 4/72.

Cutlery, hand tools, general hardware

34211—THAILAND—Garden hand tools, do-it-yourself equipment, such as scissors, shears, knives. Requests catalogs. C.i.f. Bangkok prices. Central Trading Co., Ltd. Attn: Mr. Suthikiati Chirathivathana (importer, dist.), Silom Rd., P.O. Box 471, Bangkok. WTD in prep.

34231—BRAZIL—Mechanic's hand service tools. Correspondence requested in Portuguese or Spanish. Importadora Marconi Ltda. (agent), Ladeira Felipe Neri 7—40 and, Rio de Janeiro—GB. WTD 4/72.

34232—THAILAND—Garden hand tools, do-it-yourself equipment, such as axes, planes, edge tools. Requests catalogs, c.i.f. Bangkok prices. Central Trading Co., Ltd., Attn: Mr. Suthikiati Chirathivathana (importer, dist.), Silom Rd., P.O. Box 471, Bangkok. WTD in prep.

34233—THAILAND—Garden hand tools, do-it-yourself equipment, such as shovels, spades, light forged hammers. Requests catalogs, c.i.f. Bangkok prices. Central Trading Co., Ltd., Attn: Mr. Sutikiati Chirathivathana (importer, dist.), Silom Rd. P.O. Box 471, Bangkok. WTD in prep.

34294—PORTUGAL—Window and door frame hardware. Ytong Portuguesa-Betão Celular, SARL (dist., mfr., agent), Avenida dos Estados Unidos da América 25 r/c Esq., Lisbon 5. WTD in prep.

Heating apparatus, plumbing fixtures

34320—JAMAICA—Plumbing fixture fittings. United Hardware Dealers Ltd., Attn: H. B. Green (importer, dist.), 1-3 Drummond St., Kingston. WTD 6/72.

34320 — MALAYSIA — Bath and shower fittings. Kion Seng Hardware Sdn. Bhd. (importer, dist., agent), 83-89 Padungan Rd., Kuching, Sarawak, East Malaysia. WTD in prep.

Fabricated structural metal products

34443 — PORTUGAL — Suspended type ceilings. Ytong Portuguesa-Betão Celular, SARL (dist., mfr., agent), Avenida dos Estados Unidos da América 25 r/c Esq., Lisbon 5. WTD in prep.

Screw machine products

34520—PORTUGAL—Concrete and masonry fasteners, including expansion anchors, bolts. Ytong Portuguesa-Betão Celular, S.A.R.L. (dist., mfr., agent), Avenida dos Estados Unidos da América 25 r/c Esq., Lisbon 5. WTD in prep.

Metal stampings

34611 — ISRAEL — Commercial utensils for hotels/institutions to include bakeware, pantryware, cooking and kitchen utensils; of aluminum/tinware, vitreous enamel; stamped and spun utensils of stainless steel; metal closures. Syto-Mac Enterprises Ltd. (importer, dist., agent), Export Dept., 15 Frishman St., Tel Aviv. WTD in prep.

Metal stampings Fabricated wire products

34815—MALAYSIA—Screening (aluminum). Kion Seng Hardware Sdn. Bhd. (importer, dist., agent), 83-89 Padungan Rd., Kuching, Sarawak, East Malaysia. WTD in prep.

Fabricated metal products

34990 — GERMANY — Railroad frogs, switches, crossings to compliment equipment manufactured by firm. Pintsch Bamag, Antriebs-und Verkehrstechnik GmbH. (dist., mfr., exporter), 149 Hünxer Strasse, 422 Dinslaken. WTD in prep.

34990 — PORTUGAL — Scaffolds, metal. Ytong Portuguesa-Betão Celular, SARL (dist., mfr., agent), Avenida dos Estados Unidos da América 25 r/c Esq., Lisbon 5. WTD in prep.

Farm machinery

35227 — MALAYSIA — Lawnmowers (hand & power). Kion Seng Hardware Sdn. Bhd. (importer, dist., agent), 83-89 Padungan Rd., Kuching, Sarawak, East Malaysia. WTD in prep.

Construction, mining, materials handling machinery, equipment

35319 — TAIWAN — Parts, attachments for construction machinery, equipment. Antung Trading Co., Ltd. (importer, agent, exporter), 178-1 Chang An East Road, Sec. 2, Taipei 104. WTD 2/72.

35321 — BRAZIL — Mining equipment—mineral classifying, flotation. S. Rangel S.A. Comércio e Representações (agent), Av. Franklin Roosevelt, 23—150 and., Rio de Janeiro—GB. WTD 2/72.

35324—BOLIVIA—Drills rock, for mining, construction. Gundlach S.A. (importer, dist., agent), Calle Reyes Ortiz 73, P.O. Box 1415, La Paz. WTD 8/71.

35340—TAIWAN—Elevators, escalators. Tip Top Enterprises Co., Ltd. (importer, agent, exporter), 4th Fl., 102 Nanking East Rd., Sec. 1, Taipei 104. WTD in prep.

35340—THAILAND—4 units 2-ton capacity cranes for material handling and aircraft engine maintenance jobs, 19 ft. hook height; 27 units weapon (bomb) lifting cranes; each crane can lift 100-1,000 lbs. of bombs to bomb rack wing of aircraft. Requests catalogs with full technical information, c.i.f. Bangkok price quotations. A.I.C.E. Enterprises (Thai) Co., Ltd. (importer, dist., agent), 35/9 Chalerm Loke Trade Center, Rajdamri Rd., Bangkok 5. WTD in prep.

35351—BOLIVIA—Mine conveyors 3-5 ton capacity, 500-600 mm path. Gundlach S.A. (importer, dist., agent), Calle Reyes Ortiz 73, P.O. Box 1415, La Paz. WTD 8/71.

Metalworking machinery

35442 — PORTUGAL — Molds or forms for concrete. Ytong Portuguesa-Betão Celular, SARL (dist., mfr., agent), Avenida dos Estados Unidos da America 25 r/c Esq., Lisbon 5. WTD in prep.

35480—UNITED KINGDOM—Hand operated wire wrap gun for automatically wrapping wire around electrical (electronic) connectors. Permanoid Ltd. (importer, dist., mfr.), Manchester M4 7JX. WTD in prep.

Special industry machinery

35512—FRANCE—Food preparing, canning, packing machinery, related equipment for utilization by butchers, hotels, restaurants, meat processing plants. Descriptive literature, price lists requested direct from manufacturers. Asmo S.A. (Etablissements) (importer, dist., agent), 119, 121 cours de la Marne, 33000 Bordeaux. WTD 6/72.

General industrial machinery

35614—BOLIVIA—Compressors air, portable to work at high altitudes—105-600 c.f.m. capacity, diesel or power motor. Gundlach S.A. (importer, dist., agent), Calle Reyes Ortiz 73, P.O. Box 1415, La Paz. WTD 8/71.

35663—GERMANY—Railroad car bearings, mechanical power transmission equipment to compliment equipment manufactured by firm. Pintsch Bamag, Antriebs- und Verkehrstechnik GmbH. (dist., exporter), 149 Hünxer Strasse, 422 Dinslaken. WTD in prep.

35690—BRAZIL—Plastic strapping machines. Correspondence requested in Portuguese-Spanish. Sociedade Brasileira de Embalagens Ltda. (agent), Rua do Livramento 130, Rio de Janeiro—GB. WTD 1/72.

Service industry machines

35850—ISRAEL—Refrigerators, icemaking machinery (from 20 cu.ft. up to 60 cu.ft.) for hotels, large institutions. Syto-Mac Enterprises Ltd. (importer, dist., agent), 15 Frishman St., Tel Aviv. Attn: Export Dept. WTD in prep.

35851 — MALAYSIA — Air conditioning plant over 10 h.p. Lindeteves-Jacoberg (Sabah) Sdn. Bhd. (importer, exporter), 5 Tanjong Lipat Rd., North Wharf, P.O. Box 369, Kota Kinabalu, Sabah, East Malaysia. WTD in prep.

35852—CANADA — Room air-conditioners; residential, commercial. E. H. Young Ltd., Attn: Bill Cooling, Sales Mgr. (dist., agent), 2 Thorncliffe Park Drive, Toronto, Ontario. WTD in prep.

35852 — MALAYSIA — Dehumidifiers. General Equipment & Chemicals Ltd. (importer, dist., agent), Thien Kong Bldg., Jalan Kumbang Pasang, P.O. Box 1700, Bandar Seri Begawan, Brunei. WTD 1/72.

35852 — MALAYSIA — Air-conditioners, room and plant. Eastern Trading Co. (dist., agent, wholesaler), 144A Jalan Chevalier, P.O. Box 119, Bandar Seri Begawan, Brunei. WTD in prep.

35891 — ISRAEL — Commercial ranges, ovens, broilers-electric, non-electric, including commercial cooking equipment (pressure-cookers-steam, deep-fat fryers, etc.) and commercial food warming equipment to include hot food servers and steam tables; for hotels, large institutions. Syto-Mac Enterprises, Ltd. (importer, dist., agent), Export Dept., 15 Frishman St., Tel Aviv. WTD in prep.

Office, computing, accounting machines

35720—MALAYSIA—Typewriters. Eastern Trading Co. (dist., agent, wholesaler), 144A Jalan Chevalier, P.O. Box 119, Bandar Seri Begawan, Brunei. WTD in prep.

35731—UNITED KINGDOM—Magnetic disk memories; paper tape equipment. Dicoll Electronics Ltd. (dist., mfr., contractor), Portman Rd., Reading, Berkshire RG3 1ED. WTD in prep.

Electrical industrial apparatus

36214 — KOREA — Prime mover generator sets, A.C. and/or D.C., under ¾ kilowatt for use in operating movie projectors. Estimated requirement—200 generators. Requests brochures, f.o.b. and c&f Inchon quotations. Sam Chin & Co. (agent), I.P.O. Box 3456, Seoul, 100. WTD in prep.

36220—BRAZIL—Industrial controls for boilers. Organização Brasileira de Aplicações Industriais—OBAISA (agent), Rua Mexico 45—sala 1103, Rio de Janeiro —GB. WTD 5/72.

36233—THE NETHERLANDS—Resistance welding equipment and accessories; sophisticated pressure welding equipment; high quality soldering accessories. Exclusive agency for Benelux area and West-Germany. Lastechnische Onderneming WELD-EQUIP N.V., Attn: H. M. Vroomans, Mng Dir. (importer, dist., mfr, exporter), 5 Eerste Indumaweg, or P.O. Box 164, Helmond. WTD 1/72.

36240—KOREA—Electrodes for electric furnaces and electrolytic cell use; 8", 12", 15", and 17" in diameter, together with appropriate nipples for electric furnace capacities of 3, 8, 12, and 30 tons. Requests quotations f.o.b. and c&f Korean ports asap. Dae Ryun & Co., Ltd. (importer, dist., agent), I.P.O. Box 2084, Seoul. WTD 1/71.

Radio, television receiving sets

36514 — AUSTRIA — Hi-fi and stereo home-type electronic equipment, e.g., recorders, loudspeakers, amplifiers. TEBEG Telefon- und Elektrizitaetsbau Ges.m.b.H. (importer, dist., agent, repairer), Grillparzerstrasse 5, A-1010 Vienna. WTD 6/72.

36514 — BRAZIL — Recorders, tuners, other home type electronic equipment, for sale separately. Transisom Comércio e Importação Ltda. (importer, agent), Av. Sete de Setembro 297—loja A, Salvador—Bahia. WTD 5/72.

Communication equipment

36611—THAILAND—Telephone equipment, crossbar PABX and key telephone systems. Requests price lists, catalogs, brochures, specifications, other details. Sunshine Co., Ltd. (importer, dist., agent), 814-818 Wang Burapa, P.O. Box 1462, Bangkok. WTD 8/71.

36623—GERMANY—Intercommunication equipment: highway; airport; marine and railroad safe guarding; signalling and flashing to complement equipment manufactured by firm. Pintsch Bamag, Antriebs- und Verkehrstechnik GmbH. (dist., mfr., exporter), 149 Hünxer Strasse, 422 Dinslaken. WTD in prep.

36629—JAMAICA—Marine ship to shore FM double sideband transistorized radios; 12 volts. Morgan's Harbour Marina Ltd. (importer, retailer, boat marina), Port Royal, Kingston 1. WTD 1/72.

Electronic components, accessories

36740—UNITED KINGDOM—Opto-electronic displays such as LEDs or liquid crystal. Tranchant Electronics (UK) Ltd. (importer, dist.), 100A High St., Hampton, Middlesex TW12 2ST. WTD 1/71.

36790 — UNITED KINGDOM — Capacitors, electronic, fixed and variable; resistors, electronic. Tronic Sales Ltd. (importer, dist.), Buckwell Place, Wellingborough, Northamptonshire. WTD in prep.

36795—ISRAEL—Power supplies (modular/airborne): 220 volt, 50 Hz input; 0-30 volt output; at power ratings up to 5 KW. RAPAC Electronics (Israel) Ltd., Attn: Dov Tirosh, Mgr. (importer, dist., agent), 280-A Dizengoff St., P.O. Box 18053, Tel Aviv, Cable: RAPAC TEL-AVIV. WTD 7/71.

Motor vehicles, equipment

37111—BRAZIL—Passenger cars, assembled. Companhia Comercial e Marítima S.A. (agent), Av. Oswaldo Cruz 67, Rio de Janeiro, GB. WTD 5/72.

37130 — MALAYSIA — Fire department vehicles (airport use). Eastern Trading

Special Action

Each of the following trade notices is deemed to rate the special attention of American manufacturers and suppliers by the U.S. Commercial Officers overseas.

32722—BRAZIL—Housing components, prefabricated, concrete. TAA—Empresas Reunidas S.A. (agent), Rua Anfilófio de Carvalho 29, 8° andar, Rio de Janeiro - GB. WTD 4/72.

33123 — MALAYSIA — Tin plate. Kion Seng Hardware Sdn. Bhd. (importer, dist., agent), 83-89 Padungan Rd., Kuching, Sarawak, East Malaysia. WTD in prep.

34330 — LUXEMBOURG — Technologically advanced heating equipment (systems) for homes. Exclusive distribution rights for Europe. Van Kasteren, Bertrange, Luxembourg (importer, dist., agent), 97-99, route de Longwy, Bertrange-Helfent. WTD 6/72.

34610 — UNITED KINGDOM — Metal stamping shoe components: eyelets, steel shanks, insoles, toe puffs. Foss Fasteners Ltd. (importer, dist., mfr.), Flat 6, 59 Devonshire St., London, W.1. WTD in prep.

34990 — UNITED KINGDOM — Special types of cargo control and safety equipment such as strapping and fittings for containers, trucks, railroad cars. Joseph Billingham, Ltd., Attn: R. M. Shepherd-Barron (mfr.), Providence St., Cradley Heath, Warley, Worcs. WTD in prep.

35314—BOLIVIA—Shovels, power. Gundlach S.A. (importer, dist., agent), Calle Reyes Ortiz 73, P.O. Box 1415, La Paz. WTD 8/71.

35318—BRAZIL—Road construction equipment, scrapers, graders, rollers. S. Rangel S.A. Comércio e Representaçoes (agent), Av. Franklin Roosevelt 23, - 15° and., Rio de Janeiro, GB. WTD 2/72.

35480 — UNITED KINGDOM — Automatic screw driving machines, similar labor saving mechanical fastener systems. Foss Fasteners Ltd. (importer, dist., mfr.), Flat 6, 59 Devonshire St., London, W.1. WTD in prep.

35810 — UNITED KINGDOM — Vending machines, bill and coin changers, credit card acceptance machines, related equipment. Associated Automation Ltd., Attn: Derek Baynham (mfr.), Dudden Hill Lane, London, N.W.10. WTD in prep.

Co. (dist., agent, wholesaler), 144A Jalan Chevalier, P.O. Box 119, Bandar Seri Begawan, Brunei. WTD in prep.

37141—BRAZIL—Accessories for passenger cars. Companhia Comercial e Marítima S.A. (agent), Av. Oswaldo Cruz 67, Rio de Janeiro—GB. WTD 5/72.

37141—MALAYSIA—Automotive accessories. Lian Hing Trading (importer, agent, wholesaler), 157 Sekama Rd., Kuching, Sarawak, East Malaysia. WTD in prep.

Motor vehicles, equipment

37141—TAIWAN—Motor vehicle parts, accessories. Antung Trading Co., Ltd. (importer, agent, exporter), 178-1 Chang An East Rd., Sec. 2, Taipei 104. WTD 2/72.

Aircraft, parts

37222—BRAZIL—Aircraft engines. Autonave Importação e Comércio Ltda. (agent), Av. Franklin Roosevelt 39—grupo 1305, Rio de Janeiro—GB. WTD 5/72.

37224—BRAZIL—Aircraft engine parts, accessories. Autonave Importação e Comérico Ltda. (agent), Av. Franklin Roosevelt, 39—grupo 1305, Rio de Janeiro, GB. WTD 5/72.

Ship building, repairing

37320—JAMAICA—Motorboats; Fiberglass or equal, cabin or cuddy boats for salt water; length 20-26 ft, inboard, outboard or stern drive. Preferably from east central and southeast U. S. builders. Morgan's Harbour Marina Ltd. (importer, retailer, boat marina), Port Royal, Kingston 1. WTD 1/72.

Motorcycles, bicycles, parts

37510—EL SALVADOR—Complete line of motorcycles, including light and heavy motorcycles. Dr. Pedro A. Houdelot (agent), 1a. Calle Nueva No. 3720, Colonia Escalón, S. Salvador. WTD in prep.

37510—MALAYSIA—Motorbikes. Eastern Trading Co. (dist., wholesaler), 144A Jalan Chevalier, P.O. Box 119, Bandar Seri Begawan, Brunei. WTD in prep.

Engineering, laboratory, scientific, research instruments

38110—MALAYSIA—Centrifuges. General Equipment & Chemicals Ltd. (importer, dist., agent), Thien Kong Bldg., Jalan Kumbang Pasang, P.O. Box 1700, Bandar Seri Begawan, Brunei. WTD 1/72.

38112—BRAZIL — Laboratory, scientific instruments. Audivis Instrumental Científico Ltda. (agent), Rua Tadeu Kosciusko 91—40 andar, Rio de Janeiro, GB. WTD 5/72.

38112—INDIA—Instruments: laboratory, scientific. Lawrence & Mayo (India) Private, Ltd. (dist., mfr., indent agent), 11 Government Place East, Calcutta-1. WTD 6/72.

38112—MALAYSIA — Scientific apparatus, equipment for schools, colleges, hospitals. General Equipment & Chemicals Ltd. (importer, dist., agent), Thien Kong Bldg., Jalan Kumbang Pasang, P.O. Box 1700, Bandar Seri Begawan, Brunei. WTD 1/72.

38113—INDIA—Instruments: surveying and drafting instruments, photogrametric equipment, meteorology, hydrology. Lawrence & Mayo (India) Private Ltd. (dist., mfr., indent agent), 11 Government Place East, Calcutta-1. WTD 6/72.

Instruments for measuring, indicating, controlling, physical characteristics

38210—MALAYSIA — Spectrophotometers. General Equipment & Chemicals Ltd. (importer, dist., agent), Thien Kong Bldg., Jalan Kumbang Pasang, P.O. Box 1700, Bandar Seri Begawan, Brunei. WTD 1/72.

38210 — UNITED KINGDOM — Test equipment, mechanical fatigue, specifically servo-controlled hydraulic .tensile-compression fatigue tester capable of applying force of about 100 tons several hundred times per sec., as in aircraft test work. Howden Machinery (Leamington Spa) Ltd. (importer, dist., reconditioning), Althorpe St., Leamington Spa, Warwickshire. WTD in prep.

38213—INDIA—Industrial and process control instruments. Lawrence & Mayo (India) Private Ltd. (dist., mfr., indent agent), 11 Government Place East, Calcutta-1. WTD 6/72.

38213—TAIWAN—Universal testing machines. Tien Ho Trading Co. (importer, agent, exporter), 18, Lane 22, Wu Chang St., Sec. 1, Taipei 100. WTD 9/71.

38220—CANADA — Automatic temperature controls for plumbing & heating equipment. E. H. Young Ltd., Attn: Bill Cooling, Sales Mgr. (dist., agent), 2 Thorncliffe Park Dr., Toronto, Ontario. WTD in prep.

Optical instruments, lenses

38311—MALAYSIA—PH meters for analysis. General Equipment & Chemicals Ltd. (importer, dist., agent), Thien Kong Bldg., Jalan Kumbang Pasang, P.O. Box 1700, Bandar Seri Begawan, Brunei. WTD 1/72.

38311—TAIWAN—Spectrographs, spectrophotometers, automatic gas chromatographic equipment. Tien Ho Trading Co. (importer, agent, exporter), 18, Lane 22, Wu Chang St., Sec. 1, Taipei 100. WTD 9/71.

Surgical, medical, dental instruments

38410—BRAZIL—Surgical and medical instruments, apparatus. Correspondence requested in Portuguese or Spanish. Comercial São Lucas Ltda. (importer, agent), Av. Bernardo Monteiro 806, Belo Horizonte—MG. WTD 2/72.

38410 — BRAZIL — Ophthalmic instruments. Lunette Material Ótico Ltda. (agent), Rua Miguel Couto, 134—sala 602, Rio de Janeiro—GB. WTD 4/72.

38410—UNITED KINGDOM—Disposable medical products such as drip catheters, disposable masks, resuscitation adaptors, specilums. P. K. Morgan Ltd. (importer, mfr., exporter), 10 Manor Rd., Chatham, Kent. WTD 5/72.

38421—GREECE—Support hosiery for ladies. C.i.f.—Piraeus price quotations. J. Douros—H. Kefalas & Co. (importer, dist., agent), 6 Aristidou St., Athens 122. WTD 6/72.

38423—BRAZIL—Personal industry safety devices. Ritz Comércio e Indústria Ltda. (agent), Av. Dom José Gaspar 791, Caixa Postal 2456, Belo Horizonte—MG. WTD 6/72.

38423—FRANCE—Ear plugs. Appareils Modernes de Filtration et de Graissage (A.M.F.G.) (mfr., agent), 39, rue du Moulin des Bruyères, 92-Courbevoie. WTD in prep.

Ophthalmic goods

38511 — BRAZIL — Ophthalmic fronts, temples. Lunette Material Ótico Ltda. (agent), Rua Miguel Couto, 134—sala 602, Rio de Janeiro—GB. WTD 4/72.

Photographic equipment, supplies

38611—BRAZIL—Projectors; overhead, opaque. Audivis Instrumental Científico Ltda. (agent), Rua Tadeu Kosciusko 91—40 andar, Rio de Janeiro, GB. WTD 5/72.

38613—KOREA—Projectors, 8 mm and/or 16mm, portable. Estimated requirement—200 projectors. Requests brochures, f.o.b. and c&f Inchon quotations. Sam Chin & Co. (agent), I.P.O. Box 3456, Seoul, 100. WTD in prep.

Manufacturing industries

39990—ISRAEL—Lampshade materials, all kinds. Exclusive agency. Philip G. Levine (importer, dist. wholesale, agent), 28 Kedoshe Hasoah St., Herzliyah B. WTD in prep.

Other Foreign Official Tenders

NATO—The NATO Saclant, ASW Research Center has issued Tender No. AC /14490/BR/AA/MGC for the supply of a precision sonar recorder. Bid deadline September 4.

Only U.S. firms certified by the U.S. Dept. of Commerce are eligible to bid on NATO projects. U.S. firms interested in certification should contact Communications Electronics Division, BDC-720, U.S. Dept. of Commerce, Washington, D.C. 20230. Copies of tender announcement and specifications are available from the NATO Saclant ASW Research Center, Viale San Bartolomeo 400, 19026 San Bartolomeo, La Spezia or on a short-term loan basis to firms located in the U.S. from the Communications-Electronics Division, BDC-720, Room 1112, U.S. Dept. of Commerce, Washington, D.C., 20230, ★ (202-967-4822).

ALGERIA—The Central Pharmacy intends to issue invitations for bids calling for pharmaceutical, galenic, chemical, dental, veterinary and other accessory equipment. Interested firms should directly contact the following agency, sending catalogs, if possible: Pharmacie Centrale, Direction Generale, a l'Attn de M.M.S. Silhadi, Directeur Commercial, 2, Rue Bichat, Algiers.

KOREA—The Office of Supply, Government of Korea has issued Tender No. KFX-72086-PI for the supply of microwave equipment in the 1700-2300Mhz band. Bid deadline 2 p.m. August 2. Copies of tender announcement and specifications are available from the Korean Consultate General, Attn: Procurement Officer, 9 East 80th St., New York, N.Y. 10021, or on a short-term loan basis to firms located in the U.S. from the Communications-Electronics Division, BDC-720, Room 1112, U.S. Dept. of Commerce, Washington, D.C. 20230, ★ (202-967-4822).

LIBYA—The Post and Telecommunications Corporation has issued Tender No. 5/72/73 for the supply and installation

of a 10,000 line telephone exchange. Bid deadline 10 a.m., August 15.

Copies of tender announcement and specifications are available only from the Post and Telecommunications Corporation, Alger Square, Tripoli, Libyan Arab Republic for 50 Libyan Dinars ($154.00) or on a short-term loan basis to firms located in the U.S. from the Communications-Electronics Division, BDC-720, Room 1112, U.S. Dept. of Commerce, Washington, D.C., 20230, ★ (202-967-4822).

IRELAND—The Engineer-In-Chief Dept. of Posts and Telegraphs has issued Tender No. C/610/8/18 for the supply and installation of automatic switching equipment. Bid deadline September 22. Copies of tender announcement and specifications are available from the Engineer-In-Chief, Dept. of Posts and Telegraphs, Marlborough St., Dublin 1, or on a short-term loan basis to firms located in the U.S. from the Communications-Electronics Division, BDC-720, Room 1112, U.S. Dept. of Commerce, Washington, D.C., 20230, ★ (202-967-4822).

• **36200—IRAN**—Five 250 amp. welders, and thirty-three 400 amp. three phase generators—each mounted on a rubber typed frame. Tender No. 322/5, bid deadline August 6. Purchasing General Dept., Iranian State Railways, Teheran. Tender copies may be obtained from the Metalworking Program, BDC 774, U.S. Dept. of Commerce, Washington, D.C., 20230, ★ (202-967-5652).

• **38400—KOREA**—Supply of hospital and medical equipment and supplies including bags, catheters, gloves, masks, tubes, bandages, needles, and catgut. Tender No. KFX-72093-PIII, bid deadline August 1. Invited by the Office of Supply, Government of the Republic of Korea, Seoul, Korea. Tender terms and specifications available on a loan basis from the Business, Photographic and Scientific Equipment Divison, BDC-708, U.S. Dept. of Commerce, Washington, D.C. 20230, ★ (202-967-2939).

HONG KONG—The Hong Kong Trade Development Council is planning its Fourth Hong Kong Trade Mission to the U.S. during September 1972 to sell locally manufactured products and to purchase U.S. products such as **textile machinery, building equipment, materials handling systems, office machines and electronic data processing equipment, hotel and restaurant supplies, paper products, agricultural goods including raw cotton, tobacco, fresh and frozen meats, fresh fruits and vegetables.** Interested U.S. businessmen are to contact Mr. A. A. Sanders, Hong Kong Trade Development Council, 548 5th Ave., New York, N.Y., 10036 or Mr. Ng Wing Boo, Hong Kong Trade Development Council, 606 South Hill St., Suite 401/402, Los Angeles, Calif., 90014. Planned itinerary: 9/9-15 Los Angeles, 9/16-9/20 Dallas, 9/20-9/23 Miami, 9/23-30 New York.

KOREA—The Office of Supply, Government of the Republic of Korea, Seoul, announces an invitation to bid on Irradiation Research Equipment with main unit, cobalt 60 source installed in unit, accessories, and installation by manufacturer. Tender No. KFX-72100-PI, bid deadline August 14. Terms and specifications are available on a loan basis from the Business, Photographic and Scientific Equipment Division, BDC-708, U.S. Dept. of Commerce, Washington, D.C. 20230, ★(202-967-2939).

KOREA—Bids are invited for a stereoplotter a point transfer device, contact printer, automatic typewriter, electronic calculator, and topographic scale dials and scale steel tapes. Tender No. KFX-72098-PI, bid deadline August 11. Invited by the Office of Supply, Government of the Republic of Korea, Seoul, Korea. Terms and specifications available on a loan basis from the Business, Photographic and Scientific Equipment Division, BDC-708, U.S. Dept. of Commerce, Washington, D.C. 20230, ★(202-967-2939).

PANAMA—The Government of Panama Ministry of Public Works has announced a bid call for Project No. 2 of the Darien Gap Highway. The contract involves the construction of a 58.2-kilometer section of road between Canazes, Santa Fe and Punuloso. Proposal deadline August 31 at the office of the Minister of Public Works, National Palace, Panama City.

Further information is available from the Pan American Highway Office, Avenida Mexico y Calle 30, Edificio La Garantia, Panama City. Plans and specifications will be available for perusal after July 7 at the above office and at the U.S. Federal Highway Administration, Room 3214, Nassif Bldg., Washington, D.C. 20591. Plans and pertinent documents can be obtained from the Pan American Highway Office in Panama City upon payment of $300 deposit, 80 percent of which will be refunded upon return of the plans in good condition.

KOREA—The Office of Supply, Government of the Republic of Korea has issued Tender No. KFX-72099-PIII for the supply of 3,600 transistors. Bid deadline August 9. Copies of tender announcement and specifications are available from the Procurement Officer, Korean Consulate General, 9 East 80th St., New York, N.Y. 10021, or on a short-term loan basis to firms located in the U.S. from the Communications-Electronics Division, BDC-720, Room 1112, U. S. Dept. of Commerce, Washington, D.C. 20230, ★(202-967-4822).

Polish Enterprises Seek Wide Range of Imports

The Warsaw Provincial Association of State Regional Industrial Enterprises, covering a wide production range of consumer goods and services, is interested in importing the following items: automotive service equipment; sewing machines for fur trade, knitting machines for processing natural and manmade fibers; tools for building trades, e.g., plumbing, electrical, and painting tools, hand power tools; amusement equipment, e.g., pinball and slot machines, equipment for amusement parks; machinery and designs for toys of metal and plastic; dies and die-making machine tools, injection molding machines; designs and equipment for manufacture of housings for clocks. The Association is interested in establishing contacts with appropriate U.S. firms and may be contacted directly by writing to Wojewodzkie Zjednoczenie Przedsiebiorstw Panstwowego Przemyslu Terenowego, U1, Nowy Swiat 11/13 Warszawa, or through the Embassy of the United States of America, Attn: Commercial Officer, Aleje Ujazdowskie 29/31, Warsaw.

Visiting Buyers And Officials

BRAZIL—Jayme Koifman, Expertex-Export-Import Repres. Ltda., Rua 1 de Marco 37-A, 8 andar, Rio de Janeiro, GB (ZC-00), interested in importing **labeling machines** (Security Seal Co.); **eyeglass frames; shatterproof optical lenses; electric hand tools and electric knives,** requesting technical information from Export Credit Corp., New York, N.Y. July 1 via New York for 30-40 days. c/o J. Rosenberg, 1170 Brighton Beach Ave., Brooklyn, N.Y. Itinerary: New York-Washington, D.C. WTD under prep.

ISRAEL—Amiel Shattenstein, Managing Director, Dynam Ltd., Consulting Engineers, 4 Lamden Blvd., Ramat-Gan, Israel, interested in representations of manufacturers of scientific equipment; **hotel/hospital equipment; communications (intercom) systems in hotels/hospitals; industrial electronic testing equipment.** Early August via New York for two weeks. c/o Mr. Mariniansky, 612 Ocean Ave., Brooklyn, N.Y. 11226. Itinerary: New York, Chicago, Milwaukee, Philadelphia and New Jersey. WTD 4/72.

GERMANY—Franz Henke, Sr., of Franz Henke KG, 2842 Lohne (Oldb), Am Bahnhof, interested in establishing a **manufacturing plant for the production of plastic extrusion parts** in the United States, requesting information on plant sites and operating costs. Early August via Detroit for several days. c/o Franz Henke, Jr., P.O. Box 235, Elora/Ontario, Canada. Itinerary: Detroit, Buffalo, Chicago. WTD 1/71.

SUDAN—Taha El Sayed El Roubi and the Sudanese Accumulator Co., P.O. Box 467, Khartoum, Sudan, interested in **battery manufacturing,** different industrial projects on behalf of the other members of the Sudanese Industries Association, as well as prospects of establishing joint ventures and importing American equipment and services. July 15 via New York for one month. c/o Sudanese Interests Section, Somali Embassy, Washington, D.C. Itinerary: New York, Washington, D.C.; Milwaukee, Wisconsin and Los Angeles, California. Revised WTDs in prep.

FRANCE—Claude Estrella, Ste Lorientaise de Materiaux, 18 ave Kergroise, 29-Lorient, France, interested in **electric heating, air conditioning and ventilation equipment.** August 7 via New York for 24 days. c/o Mr. Jo Mas, 3410 Chalfont Drive, Philadelphia, Pa. Itinerary: New York and Philadelphia. WTD in prep.

India Issues Tenders On Route Relay Equipment

The Office of Chief Signal and Telecommunication Engineer has issued Tender No. CON/N 107/NGP for the supply, installation, testing and commissioning of route relay interlocking equipment. Bid deadline August 30. Copies of tender announcement and specifications are available from P. K. Balakrishnan, Office of Chief Signal and Telecommunication Engineer (Construction), Central Railway, Victoria Terminus Annexe, V. T. Bombay, for 20 rupees per copy (U.S. $1.00=7.8 rupees).

Future Construction Abroad

COLOMBIA—Empresas Publicas de Medellin has invited firms to prequalify to bid for the civil works contract of the **Guatape II Hydroelectric Project.** It will have an installed capacity of 280 MW and consists basically of the construction of: 1) **A 60 meter high concrete water intake,** connected to a 90 meter deep vertical shaft; 2) **A 4.8 kilometer long concrete-lined pressure tunnel,** with an inside diameter of 3.5 meters; 3) **A 908 meter long inclined shaft,** with an inside diameter of 5.50 meters, excavated at a slope of 48; where a free-standing penstock will be installed by others; 4) Expansion of the existing underground caverns for the generators and power transformers, with section of 380 sq. meters, and 170 sq. meters, respectively; 5) A 4.56 kil. long unlined tail tunnel with a cross section of 34.5 sq. meters. The contract includes all the tunnelling and underground excavation, concrete placement and miscellaneous work. The erection of the plant equipment will be carried out by others.

Empresas Publicas de Medellin is negotiating a loan with the International Bank for Reconstruction and Development for construction of the project and expects to finalize the loan negotiations before the contract is awarded. The contract will be of the unit price type and would be awarded on the basis of international competitive bidding. Construction of the project will start during the first half of 1973 to complete the work before the end of 1976. To qualify for bidding, the prospective bidders shall have recent experience in construction of similar work, sufficient and adequate equipment, experienced personnel and sound financial capacity. The prequalification of the prospective bidders will be made by Empresas Publicas de Medellin on the basis of the basic criteria given in the prequalification forms. The prequalification documents, which set forth the information required, may be secured from: Gerencia Tecnica, Empresas Publicas de Medellin, Apartado Aereo 940, Medellin. The prequalification information should be submitted before August 31, to the above address.

YUGOSLAVIA—The Croatian Republican Assembly on May 31, 1972 passed a bill setting aside approx. $6.5 million to make up the difference between available funds and the $23 million worth of local financing required to enable the **5,000-bed Babin Kuk tourist hotel project near Dubrovnik** to move ahead. The International Bank for Reconstruction and Development (IBRD) had approved in 1971 a loan of $22 million to cover the foreign exchange costs of the $45 million hotel and recreational complex, but difficulty in finding local financing had repeatedly delayed final approval of the project.

Babin Kuk should provide a market for a substantial amount of hotel and recreational equipment, especially air conditioning, for which some $2 million will reportedly be spent in the first phase of construction. The principal architect for the project is Edward Durrell Stone Associates, 745 Fifth Ave., New York, N.Y. The collaborating Yugoslav architect is Veceslav Richter, of Zagreb, Minceta (Developer), Antun Roko-Lujak, General Director of Minceta, Dubrovnik.

THAILAND—The National Executive Council (NEC) of Thailand selected Northrop Airport Development Corp. (NADC) to participate in the construction of a new **international airport at Nong Ngu Heo,** 20 kils. southeast of Bangkok. The NEC has appointed a special committee to negotiate a contract with Northrop for a "total airport program." Negotiations will cover the master plan, design, supervision of construction, and operation of the airport. Qualified bidders will be sought for all work. The cost of the first phase of the airport will amount to approx. U.S. $100 million, of which over $20 million may go for equipment.

In addition to the airport project, NADC has also been asked to prepare a proposal for an **access toll road running from the new airport to Bangkok.** U.S. firms interested in submitting proposals for equipment, services or obtaining additional information may write to: Jack Bailhe, Northrop Airport Development Corp., 392 Soi 18, Sukhumvit Rd., Bangkok. Tele. 917315 or 917864. Cable Address: Northrop Bangkok.

FRANCE—The publicly-owned French company Societe d'Aide Technique et de Cooperation (SATEC) wishes to contact U.S. manufacturers of agricultural equipment and machinery for related industries who would be interested in collaborating with them in **constructing turn-key operations in third countries.** U.S. manufacturers of such products as tractors, agricultural machinery, slaughterhouses, and equipment for a variety of factories such as sugar refineries, corn and rice processing plants, and canneries should contact the Assistant Director, Societe d'Aide Technique et de Cooperation, 110 rue de l'Universite, 75-Paris 7.

FRANCE—Mr. Bezard, Technical Counselor and principal engineer at the Union Internationale des Chemins de Fer, 14, rue Jean Rey, 75-Paris 15, stated that a decision concerning the effective date for compulsory use of automated freight car couplings in Europe is imminent; likely to be in 1981. Mr. Bezard noted that the one million freight cars in service at that time will require a total of **two million automatic couplings and one million draft gears.** Eurofima located at Rittergresser 1, 4001 Basel, Switzerland, will undertake an international survey of possible suppliers in 1974/1975 to permit joint orders. Individual railroads, however, will still be able to place their own orders.

With respect to France, the French railroad will look at possibilities for joint purchasing following the Eurofima study and then decide upon their purchasing policy. Mr. Albertini of the SNCF (French National Railroad), 88, rue St. Lazare, 75-Paris 8, confirmed the above. U.S. firms should contact Eurofima as their study looks critical in eventual purchasing decisions by all the European railroads.

KOREA—The Republic of Korea Government has announced that it has obtained a $5.7 million Asia Development Bank (ADB) loan to finance the foreign exchange costs of **two projects for the expansion of the Pusan and Taegu public water supply and distribution systems.**

When completed by the end of 1974, these projects will expand the capacity of the Pusan Waterworks by 240,000 metric tons and that of Taegu by 120,000 metric tons per day. The Ministry of Construction informed that plans call for the assignment of one consultant each at Pusan and Taegu whom the ROKG will select in consultation with ADB. Procurement of equipment will be made through the ROKG Office of Supply (OSROK) by means of international competitive bidding. Tenders will be issued as they become available. Interested U.S. firms should contact Shin, Kyung Shick, Chief, Waterworks Section, Ministry of Construction, Seoul; Choo, Wol Min, Director, Waterworks Bureau, Pusan City, or Kim, Kyung Chan, Director, Waterworks Bureau, Taegu City.

KOREA—The Republic of Korea is requesting the Asia Development Bank (ADB) to support a project to **relocate the Seoul and Inchon waterworks intakes on the Han River.** The plan is to draw the water at the Paldang Dam, currently under construction approx. 9 km east of the Seoul city limits, and carry it by pipeline to three of the Seoul water treatment plants and two plants serving Inchon.

The project is expected to require approx. $17 million in foreign exchange and will include procurement of some ten electric driven pumps in the 2,200-2, 500 HP range, together with the raw materials to fabricate approx. 87 km of 1,500 mm (60 inch) and 2,200 mm (88 inch) steel pipeline. The ROKG hopes to undertake work on the project by the end of 1972 and anticipates the construction period to be approx. three years. Interested U.S. firms should contact Shin, Kyung Shick, Chief, Waterworks Section, Ministry of Construction, Seoul.

THAILAND—The Northeast Urban Infrastructure Project is still in the very formative stage and covers the Northeast cities of Korat, Khonken, Ubon, and Udon. The project may include **improved roads, public utilities, marketing and storage facilities.** The lending agency may be IBRD. There has been no estimate of cost made yet and IBRD has not yet determined whether it will finance the project.

This project, which is referred to as the Secondary City Urban Infrastructure Program, is under the joint responsibility of the Town and Country Planning Department, Ministry of Interior and the National Economic Development Board's (NEDB) Sub-Committee in charge of planning development for the Northeast region.

It has not yet been decided what infrastructure improvements will be included in the project or which agency will be responsible for its implementation. U.S. firms interested in additional information on this proposed project as it develops may write to: Dr. Renoo Suwanasit, Director of Sub-Committee for Northeast Regional Planning, National Economic Development Board, Krunkasem Rd., Bangkok.

SOUTH AFRICA—A report to Parliament of the South African Railways and Harbors Board on the **construction of a new harbor at Richards Bay,** is available to interested firms from the U.S. Dept. of Commerce, Business Opportunities Division, BDC-584, Rm 4813, Washington,

D.C. 20230. The report presents the economic and geographic justification for the new port, and provides details of its engineering design and construction cost. Map of the harbor is also provided.

The new port will commence operation in April 1976. It will have three berths handling up to 15 million tons of cargo. The largest component of export traffic destined for Richards Bay will be coal, which is expected to reach 11 million tons by opening date. Other bulk cargoes may include alumina for the Richards Bay smelter, chrome ore, maize and sugar. Two of the initial berths will be devoted to bulk coal handling; a fourth berth will be contructed by April 1977. The harbor project will cost an estimated $190 million.

BELGIUM—G. B. Enterprises, 4 Ter Borchtlaan, 2520 Edegem, an important group in Belgium operating supermarkets, restaurants, and gasoline stations has set up a new division, N. V. Motorest, which will operate **a chain of first class Motor hotels in Europe.**

The first motor hotel in the chain will be at Aartselaar, in the southern outskirts of Antwerp, on the highway to Brussels. Construction is already in an advanced stage and the opening is scheduled for next September. The new hotel, which will be called "GB Motor Hotel," will occupy 5,000 sq. meters of a 20,000 sq. meter site. It will have 130 modern rooms, a convention hall with a seating capacity for 400, restaurants and grill rooms, indoor and outdoor swimming pools, solarium, shops, etc.

GB Enterprises plans to build a similar hotel to the north of Antwerp and four more in Belgium, all on main highways. It also plans to construct two similar motor hotels in The Netherlands, three in Germany, and one each in Luxemburg, Paris and London.

SOUTH AFRICA—The Deputy Minister of Agriculture announced that R83 million (RSA=U.S. $1.33) would be spent on **slaughterhouse facilities in South Africa** during the next seven years. R75 million of this would be for new projects and R8 million for improvements to existing ones. The Johannesburg slaughterhouse is to be replaced by a new one, expected to cost R25 million. U.S. firms interested in bidding should write to the City Engineer, Johannesburg Municipality, P.O. Box 4323, Johannesburg.

BRAZIL—The Government of Brazil's Ministry of Interior signed an agreement with SADEVAL along with ADELA and TWIG-Brazil for the **irrigation of 125,000 acres of semi-arid Northeast agricultural land.** Opportunities should develop for sales of **irrigation equipment (nozzles, valves, controls, technical assistance), engineering, earthmoving machinery, well drilling rigs, fertilizer handling and storage systems, soil and water testing equipment and food processing and packaging machinery.** U.S. firms investigating sales potential may find the following addresses useful: Superintendencia do Vale do Sao Francisca (SUVALE), Av. Pres. Wilson, 210, Rio de Janeiro, GB. Superintendancia do Desenvolvimento do Nordeste (SUDENE), Departamento de Agricultura, Av. Dantas Barreto, 315, 9° andar, s/909, Recife, PE. Secretaria de Agriculturado Estado de Pernambuco, Praca da Republica, s/n, Recife, PE. Distritos Industriais de Pernambuco (DIPER), Rua da Aurora, 1377, 3° andar, Recife, PE. Banco do Estado de Pernambuco, Carteira de Credito Rural, Cais do Apolo, Edf. BANDEPE, 1° andar, Recife, PE. Companhia de Eletricidade de Pernambuco (CELPE), Rua da Aurora, 487, Recife, PE.

PARAGUAY—Paraguay plans to begin selling **23,000 kilowatts per year of electric energy** to Argentina and Brazil from the generating station at Acaray, which is now being expanded.

Construction of high tension lines may provide trade opportunities for U.S. firms engaged in the **equipment, steel supply and fabrication fields, and in engineering and consulting services.** Initial contact on this aspect of the project should be made with ANDE (Consejo de la Administracion Nacional de Electricidad), Calle Padre Cardozo 560, Ascuncion.

CANADA—Construction on a $4 million **apartment building** commenced in Victoria, British Columbia in mid-May and should be completed about July 1973. U.S. firms are welcome to bid on all types of supplies and equipment. Robert McAdams, Owner, Park Pacific Apartments, Ltd., 1008 Blanchard St., Victoria, B.C., accepts inquiries.

KOREA—The Agricultural Development Corp. (ADC) has several series of contracts remaining for the **Kum River and Pyongtaek Region irrigation project,** partially financed from a $45 million IBRD Loan. U.S. firms interested in bidding should contact: Agricultural Development Corp., 24, 2-ka, Jeo-dong, Choong-ku Seoul.

CANADA—Construction on a $3.5 million **apartment complex consisting of 323 units,** is expected to commence in early August in Surrey, British Columbia. Interested U.S. suppliers are welcome to bid on all types of supplies and equipment. All inquiries should be addressed to: Henry Ellis, Vice President, Tonission Construction Ltd., 4429 Kingsway, Vancouver, B.C.

PERU—The Government of Peru has launched a communications development program encompassing five projects requiring a total investment of about $62.3 million for the years 1972, 1973 and 1974, for which $47.5 million of external financing is being sought. The Empresa Nacional de Telecomunicaciones del Peru (ENTELPERU), is the semi-autonomous public entity of the communication sector charged with the establishment, operation and development of national and international communications. The current breakdown of the projects is as follows: 1) **National Radio/Television Transmission Network.** The Ministry of Transportation and Communications made a feasibility study. The engineering is being carried out by Ingenieria de Telecommunicaciones S.A. and scheduled for completion in July, 1973. 2) **Telex Network.** ENTELPERU completed its feasibility study in February, 1972. Engineering is in progress. Specifications and bid documents were announced in April, 1972. 3) **Urban/Rural Telephone Systems.** ENTELPERU is undertaking a feasibility study expected to be completed in the first half of 1973. The engineering study is expected to require about one year to complete. 4) **Computer Center.** ENTELPERU completed its feasibility study in 1971. Engineering and the preparation of specifications are underway and bids will be invited this year. 5) **Shortwave Network.** For the implementation of this $16.223 million project, the Government of Japan has granted to Peru a loan of about $11 million and a contract was signed between ENTELPERU and Nippon Electric Co.

The Telex Network Project ($5.9 million) and the Computer Center Project (1.89 million) represent the most immediate opportunities to U.S. firms for the supply of communications equipment to Peru. Additional details concerning these projects can be obtained by writing the following official: Engineer Eddie Morris Landa, Director General, Oficina Sectorial de Planficiacion, Ministry de Transportacion y Comunicaciones, Lima.

Greece Firm Announces Bids For A Radio Paging System

The Hellenci Telecommunications Organization has issued Tender No. 6836 for the supply installation, and commissioning of a radio paging system for mobile subscribers. Bid deadline August 21.

Bid should offer a radio paging system and 300 paging receivers. Copies of tender announcement and specifications are available for the Subdirectorate of Tenders, 6 Klissovis St., 2nd Floor, Room 24, Athens or on a short-term loan basis to firms located in the U.S. from the Communications-Electronics Division, BDC-720, Room 1112, U.S. Dept. of Commerce, Washington, D.C., 20230, ★(202-967-4822).

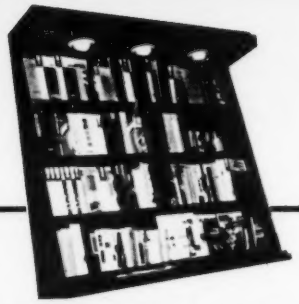
Argentina Asks For Bids To Construct Road And Bridge

The Argentina Highway Bureau, Avda. Maipu 3, Division Licitaciones, 5° Piso, Buenos Aires, invites bids for the paving of a 30-kilometer road linking Provincial Highway No. 20 with the Fray Bentos-Puerto Unzue International Bridge Project. The call for bids also includes the construction of a 270-meter concrete bridge over the Gualeguaychu River, in the Province of Entre Rios. The budget for this project, to be partially financed by an Inter-American Development Bank loan, is 24.7 million Argentine pesos ($1 = 9.80 Argentine pesos). Tender No. 456/72. Bid deadline is August 8. Conditions are available for 250 Argentine pesos from the Argentine Highway Bureau.

Brazil Issues Tenders To Build Garbage Plant

The Secretaria de Obras e Urbanismo, Prefeitura Municipal de Belem, Avenida Governador Jose Malcher, 1623, Belem, Para, Brazil, is asking for bids for the construction of a garbage incineration and/or industrialization plant capable of handling 150 tons daily, including construction of the plant building and complete assembly of the machinery and pertinent equipment. Tender No. 04/72-SO. Bid deadline September 21.

Copies of the specifications (in Portuguese) are available from the Construction, Water Resources & Eng. Div., BDC-742, U.S. Dept. of Commerce, Washington, D.C., 20230, ★(202-967-3602), and the U.S. Dept. of Commerce Field Office, 11444 Federal Bldg., 450 Golden Gate Ave., P.O. Box 36013, San Francisco, Calif., 94102, ★(415-556-5864).



New Publications

When ordering any publications, indicate title and series designation, if indicated, and make checks or money orders payable to the Superintendent of Documents. Orders should be sent to the U.S. Department of Commerce, Washington, D.C. 20230, or to any of its field offices.

OFFICE OF THE SECRETARY

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County Business Patterns: 1971

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We the Americans—who we are. May 1972. 20pp. 35¢. No. 1 in a series of reports from the 1970 Census.

Agriculture

1969 Census of Agriculture—Area Reports

A separate report is published for each State, American Samoa, Guam, Puerto Rico, Trust Territory, and the Virgin Islands. The report consists of two sections. Sec. 1 contains the introduction, State summary data, county summary of selected data, miscellaneous items by counties, and an appendix giving explanations, definitions, and examples of the report forms used. Sec. 2 contains the detailed county reports.
Arizona (Vol. 1, part 43). 452pp. $3.50 (paper).
Colorado (Vol. 1, part 41, Section 1. Summary data). 362pp. $2.75 (paper).
Colorado (Vol. 1, part 41, Section 2. County data). 486pp. $3.50 (paper).
Idaho (Vol. 1, part 39). 714pp. $5.25 (paper).
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New one-family homes sold and for sale: April 1972 (C25-72-4). Annual subscription $3. Single copy 10¢, annual $1.

Housing authorized by building permits and public contracts: April 1972 (C40-72-4). Series C40, $8 per year; $2 more for foreign mailing; single copy (annual), $2; single copy (monthly), 55¢.

Authorized construction Washington, D. C. area: May 1972 (C41-72-5). Annual subscription $1. Single copy 10¢.

1970 Census of Housing

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Texas (HC(1)-B45). 583pp. $5.25.

Metropolitan Housing Characteristics Standard Metropolitan Statistical Areas

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Characteristics of occupied housing units by rooms and tenure, for the United States: 1970 (Series HC(S1)-5). 8pp. Single copy 10¢.

Country of origin of the foreign stock, for the United States: 1970 and 1960 (PC(S1)-18). 4pp. Single copy 10¢.

Distribution and Services

Weekly retail sales. Estimated weekly retail sales of retail stores in the United States for week ending July 1. (CB 72-168). 2pp. 10¢.

Foreign Trade

General imports cotton manufactures: April 1972. (FT-130-72-4). Annual subscription $1. Single copy 10¢.

General imports world area by commodity groupings: annual 1971 (FT 155-71). 472pp. (Revised through December 1971 statistics). $3.25.

General imports commodity by world area: annual 1971 (FT 150-71). (Revised through December 1971 statistics). Single copy $2.50.

Airborne exports and general imports: April 1972 (FT 986-72-4). Annual subscription (FT 900, 975, 985, and 986 combined) $3. Single copy 10¢.

Waterborne exports and general imports: March 1972 (FT 985-72-3). Annual subscription (FT 900, 975, 985, and 986 combined) $3. Single copy 10¢.

Export and import merchandise: May 1972 (FT-900-72-5). 8pp. Annual subscription (FT 900, 975, 985, and 986 combined) $3. Single copy 10¢.

Highlights of exports and imports: May 1972 (FT 990-72-5). Annual subscription $5 ($1.25 more for foreign mailing). Single copy 45¢.

Governments

Quarterly summary of State and local tax revenue: March 1972 (GT 72 No. 1). June 1972. 8pp. Single copy 25¢.

Industry

Textured yarn production: 1971 (Series: MA-22F.1(71)-1). 4pp. Single copy 25¢.

Vending machines (coin operated): 1971 (Series: MA-350(71)-1). 4pp. $1 per year. Single copy 25¢.

Shipments of defense-oriented industries: 1970 (Series: MA-175(70)-1). 43pp. Single copy 75¢.

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Fluorescent lamp ballasts: summary for 1971 (Series: MQ-36C(71)-5). 8pp. $1 per year. Single copy 25¢.

SCIENCE & TECHNOLOGY

NATIONAL OCEANIC & ATMOSPHERIC ADMIN.

Environmental Data Service

Daily weather maps, weekly series, June 19-25, 1972. Annual subscription $7.50. Domestic airmail $5.20 more. Foreign surface mail $7.50 more. Single copy 15¢.

Climates of the States—climate of Florida. No. 60-8. Revised June 1972. 32pp. 30¢.

Earthquake information bulletin. March-April 1972, Vol. 4, No. 2. Annual subscription $1.50 (50¢ more for foreign mailing). Single copy 30¢.

NATIONAL BUREAU OF STANDARDS

Precision measurement and calibration—frequency and time (Spec. Publ. 300, Vol. 5). 565pp. $6 (cloth bound). This is one of a series of volumes.

Precision measurement and calibration—colorimetry (Spec. Publ. 300, Vol. 9). 460pp. $5.50 (cloth bound).

Bibliography on atomic energy levels and spectra—July 1968 through June 1971 (Spec. Publ. 363). 103pp. $1.

WR15 microwave calorimeter and bolometer unit (Tech. Note 618). 41pp. 75¢.

Tabulation of published data on electron devices of the U.S.S.R. through December 1971 (Tech. Note 715). 108pp. $1.

Torsional instabilities in composite and composite-reinforced aluminum-alloy thin-walled cylinders (Tech. Note 728). 77pp. 70¢.

Design, construction, and testing of a new high accuracy spectrophotometer (Tech. Note 729). 60pp. 60¢.

PATENT OFFICE

General information concerning Patents. Revised March 1972. 48pp. 30¢.

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